



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • [www.lacdc.org](http://www.lacdc.org)



**Gloria Molina**  
**Mark Ridley-Thomas**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Sean Rogan**  
*Executive Director*

**AGENDA  
FOR THE REGULAR MEETING OF THE  
LOS ANGELES COUNTY HOUSING COMMISSION  
WEDNESDAY, OCTOBER 28, 2009  
12:00 NOON  
ORCHARD ARMS  
23520 WILEY CANYON ROAD  
VALENCIA, CA 91355  
(661) 255-5818**

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**1. Call to Order**

**2. Roll Call**

**Severyn Aszkenazy, Chair**  
**Lynn Caffrey Gabriel, Vice Chair**  
**Adriana Martinez**  
**Henry Porter, Jr.**  
**Alberta Parrish**

**3. Reading and Approval of the Minutes of the Previous Meetings**  
Regular Meeting of September 23, 2009

**4. Report of the Executive Director**

**5. Report on Status of Ujima Village Relocation and Disposition**

**6. Public Comments**

The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.

**7. Staff Presentations**

Housing Management Division Update – Maria Badrakhan

Assisted Housing Division Update – Margarita Lares



## Regular Agenda

**8. Approve a Construction Contract for the Parking Lot and Sidewalk Improvements at the Harbor Hills Housing Development in the City of Lomita (District 4)**

Recommend that the Board of Commissioners award and authorize the Executive Director to execute, administer, implement, and if necessary, terminate a Contract in the amount of \$467,129 with Torres Construction Corp. to complete the replacement and modernization of one parking lot and adjacent sidewalks at the Harbor Hills housing development; authorize the Executive Director to fund the Contract with a total of \$467,129 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by HUD and included in the Housing Authority's approved Fiscal Year 2009-10 budget for this purpose; authorize the Executive Director to approve Contract change orders not exceeding \$93,425 for unforeseen project costs, using the same source of funds. (APPROVE)

**9. Approve a Construction Contract for the Replacement and Modernization of Two Parking Lots and Adjacent Sidewalks at the Carmelitos Family Housing Development in the City of Long Beach (District 4)**

Recommend that the Board of Commissioners award and authorize the Executive Director to execute, administer, implement, and if necessary, terminate a Contract in the amount of \$411,543 with Torres Construction Corp. to complete the replacement and modernization of two parking lots, adjacent sidewalks and all associated work at the Carmelitos family housing development; authorize the Executive Director to use a total of \$411,543 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by HUD and included in the Housing Authority's approved Fiscal Year 2009-2010 budget for this purpose; authorize the Executive Director to approve Contract change orders not exceeding \$82,308 for unforeseen project costs, using the same source of funds. (APPROVE)

**10. Approve a Construction Contract for Parking Lot and Sidewalk Improvements at the Nueva Maravilla Senior Housing Development in Unincorporated East Los Angeles (District 1)**

Recommend that the Board of Commissioners award and authorize the Executive Director to execute, administer, implement, and if necessary, terminate a Contract in the amount of \$643,787 to AZ Home Inc. to complete two new parking lots and replace and modernize the existing parking lot, adjacent sidewalks and all associated work at the Nueva Maravilla senior housing development; authorize the Executive Director to fund the Contract with a total of \$643,787 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by HUD and included in the Housing Authority's approved Fiscal Year 2009-10 budget for this purpose; authorize the Executive Director to approve

Contract change orders not exceeding \$128,757 for unforeseen project costs, using the same source of funds. (APPROVE)

**11. Approve a Construction Contract for Various Site Improvements at the Orchard Arms Senior Housing Development Project in the City of Santa Clarita (District 5)**

Recommend that the Board of Commissioners award and authorize the Executive Director to execute, administer, implement and if necessary, terminate a Contract in the amount of \$290,972 with Big Star Builders, Inc. to complete various site improvements at the Orchard Arms senior housing development; authorize the Executive Director to use a total of \$180,000 in Community Development Block Grant (CDBG) countywide funds and \$110,972 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by HUD and included in the Housing Authority's approved Fiscal Year 2009-10 budget for this purpose; authorize the Executive Director to approve Contract change orders not exceeding \$58,194 for unforeseen project costs, using ARRA CFP funds. (APPROVE)

**12. Approve the Revised Debt Collection Policy of the Community Development Commission and Housing Authority (All Districts)**

Recommend that the Board of Commissioners approve and authorize the Executive Director to implement the revised Debt Collection Policy, which also authorizes the Executive Director to initiate litigation for purposes of debt collection, and to reduce or write-off delinquent accounts deemed uncollectible, up to an amount equal to the full amount of the debt, when the individual debt does not exceed \$100,000; authorize the Executive Director to amend, when necessary, the Debt Collection Policy. (APPROVE)

**13. Adopt a Resolution Accepting the Voluntary Transfer of Housing Choice Vouchers from the Housing Authority of the City of Lomita to the Housing Authority of the County of Los Angeles (All Districts)**

Recommend that the Board of Commissioners adopt and instruct the Chair to sign a Resolution indicating agreement to the proposed voluntary transfer of Section 8 Housing Choice Vouchers and corresponding budget authority from Lomita to HACoLA; and authorize the Executive Director to submit the Resolution and all related documents to HUD. (APPROVE)

**14. Approve Settlement of Tort Liability Case Marquis Bradley vs. Housing Authority of the County of Los Angeles, et al. (All Districts)**

Recommend that the Board of Commissioners approve and authorize the Executive Director to execute a settlement agreement in the amount of \$45,000, to be paid from Housing Authority public housing funds, to Marquis Bradley for Marquis Bradley vs. Housing Authority of the County of Los Angeles, Community Development Commission of the County of Los Angeles, and Jesus Enriquez Cida, following approval as to form by County Counsel. (APPROVE)

**15. Housing Commissioners Comments and Recommendations for Future Agenda Items**

Housing Commissioners may provide comments or suggestions for future Agenda items.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 2 Coral Circle in the City of Monterey Park. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 838-5051, or by e-mail at [marisol.ramirez@lacdc.org](mailto:marisol.ramirez@lacdc.org), from 8:00 a.m. to 5:00 p.m., Monday through Friday.



THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

MINUTES FOR THE REGULAR MEETING OF THE

LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, September 23, 2009

The meeting was convened at the main office, located at 2 Coral Circle, Monterey Park, California.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Chair Severyn Aszkenazy at 12:11 p.m.

<b>ROLL CALL</b>	<b><u>Present</u></b>	<b><u>Absent</u></b>
Severyn Aszkenazy, Chair	X	
Lynn Caffrey Gabriel, Vice Chair		X
Adriana Martinez	X	
Henry Porter, Jr.	X	
Alberta Parrish	X	

**PARTIAL LIST OF STAFF PRESENT:**

Bobbette A. Glover, Assistant Executive Director  
Maria Badrakhan, Acting Assistant Executive Director, Housing Programs  
Emilio Salas, Director, Administrative Services  
Margarita Lares, Director, Assisted Housing  
Dorian Jenkins, Manager, Assisted Housing

**GUESTS PRESENT:**

Rick Velasquez, Assistant Chief of Staff, 4<sup>th</sup> District  
Rosemary Gutierrez, CEO Budget Analyst  
Bernice Johnson, Section 8 Tenant

**Reading and Approval of the Minutes of the Previous Meeting**

On Motion by Commissioner Porter, seconded by Commissioner Parrish, the Minutes of the Regular Meeting of August 26, 2009, were approved.

**Agenda Item No. 4 - Report of the Executive Director**

Ms. Maria Badrakhan reported on the following items:

Ms. Badrakhan welcomed Mr. Rick Velazquez, Assistant Chief of Staff, 4th District and Ms. Rosemary Gutierrez, CEO Analyst.

Ms. Badrakhan reported that the Section 8 Monthly Status report provided at this meeting should be the final report. All OIG and Corrective Action Plan items have been completed.

Twenty-five volunteers from Southern California Edison will help The Growing Experience prepare for the harvest season at the Carmelitos housing development.

Current audits at the Housing Authority are as follows, HUD is auditing the VMS Financial Section 8 Program. Simpson and Simpson is continuing with the annual independent audit of the Commission and Housing Authority. HUD will conduct the annual REAC inspections of maintenance and modernization activities in public housing.

The Tenant Commissioner interviews have been completed and a selection will be made shortly from three qualified candidates.

Commissioner Parrish's term as Tenant Commissioner has expired and appointment to a second term will be requested. Commissioner Parrish will continue her duties in the interim.

Ms. Badrakhn introduced Dorian Jenkins, the new Assistant Executive Director for Housing Programs. Mr. Jenkins has served as Manager in the Assisted Housing Division. He will chair the next meeting.

#### **Agenda Item No. 5 – Report on Status of Ujima Village Relocation and Disposition**

Ms. Bobbette Glover reported there are seven occupied units. Board approval of the 90-day notices to vacate is pending. Executive Director Sean Rogan and County Counsel Grace Chang met with the HUD Assistant Secretary for Multi-Family Housing. HUD has verbally agreed to allow demolition of the Ujima Village housing development provided the site is used for open space. The cost of demolition is estimated at \$5 million, primarily due to the need for lead and asbestos abatement, and removal of the foundations and the infrastructure. Another meeting with HUD regarding expenses is forthcoming.

#### **Agenda Item No. 6 – Public Comments**

Ms. Bernice Johnson, Section 8 tenant, requested a two-bedroom apartment based on reasonable accommodations. Ms. Margarita Lares, Director of Assisted Housing will assist Ms. Johnson.

#### **Agenda Item No. 7 - Staff Presentations**

Mr. Brad Chisler, Supervisor in the Construction Management Division presented the Quarterly Status Report and answered questions from the Commissioners.

Ms. Elisa Vasquez, presented the Legislative Update and the American Recovery and Reinvestment Act (ARRA) report and answered questions from the Commissioners.

Ms. Lois Star, Mr. Larry Matthews and Mr. Blair Babcock presented the Housing and Economic Recovery Act (HERA) report and answered questions from the Commissioners.

### **Regular Agenda**

**On Motion by Commissioner Martinez, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:**

**APPROVE CONSTRUCTION CONTRACT FOR THE MODERNIZATION OF  
TWO ELEVATORS AT THE FRANCISQUITO VILLA SENIOR HOUSING  
DEVELOPMENT IN THE CITY OF LA PUENTE (DISTRICT 1)  
AGENDA ITEM NO. 8**

1. Recommend that the Board of Commissioners find that the Contract award for the elevator modernization project at Francisquito Villa is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners award and authorize the Executive Director to execute, administer, implement, and if necessary, terminate a Contract in the amount of \$351,000 with M.L. Construction to complete the modernization of two elevators at the Francisquito Villa senior housing development, following approval as to form by County Counsel.
3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$351,000 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2009-2010 budget for this purpose; and authorize the Executive Director to approve Contract change orders not exceeding \$70,500 for unforeseen project costs, using the same source of funds and following approval as to form by County Counsel.

**On Motion by Commissioner Porter, seconded by Commissioner Parrish, and unanimously carried, the following was approved by the Housing Commission:**

APPROVE CONSTRUCTION CONTRACT FOR THE MODERNIZATION OF  
TWO ELEVATORS AT THE WHITTIER MANOR SENIOR HOUSING  
DEVELOPMENT  
IN THE CITY OF WHITTIER (DISTRICT 4)  
AGENDA ITEM NO. 9

1. Recommend that the Board of Commissioners find that the Contract award for the elevator modernization project at Whittier Manor is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners award and authorize the Executive Director to execute, administer, implement, and if necessary, terminate a Contract in the amount of \$279,820 with Tobo Construction Inc., to complete the modernization of two elevators at the Whittier Manor senior housing development, following approval as to form by County Counsel.
3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$279,820 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2009-2010 budget for this purpose; and authorize the Executive Director to approve Contract change orders not exceeding \$55,964 for unforeseen project costs, using the same source of funds and following approval as to form by County Counsel.

**On Motion by Commissioner Martinez, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:**

APPROVE HEALTH PLAN CHANGES (ALL DISTRICTS)  
AGENDA ITEM NO. 10

1. Recommend that the Board of Commissioners find that approval of the changes to the 2010 health plans is not subject to the provisions of the California Environmental Quality Act (CEQA) because the activities are not defined as a project under CEQA.
2. Recommend that the Board of Commissioners authorize the Executive Director to approve the proposed premium rates for group medical plans provided by Anthem Blue Cross of California Health Maintenance Organization (HMO) and Preferred Provider Option (PPO) and Kaiser Health Plan (Kaiser), effective January 1, 2010.

3. Recommend that the Board of Commissioners approve the combined payment, with the Community Development Commission (Commission), of the employer-paid subsidy for the 2010 calendar year to Anthem Blue Cross and Kaiser, at an estimated cost of \$151,000.
4. Recommend that the Board of Commissioners authorize the Housing Authority to fund all health plan costs using funds included in the approved Fiscal Year 2009-2010 budget, and funds to be approved through the annual budget process for Fiscal Year 2010-2011, as needed.

**Agenda Item No. 11 – Housing Commissioner Comments and Recommendations for Future Agenda Items**

Commissioner Martinez stated that she was pleased to have participated in the Tenant Commissioner interviews. Ms. Glover added that four applicants were interviewed and three will be recommended for appointment.

Commissioner Porter reminded staff about the report back due on the skateboarding issue at some of the sites.

Margarita Lares thanked and acknowledged Maria Badrakhan for her great efforts and support serving as Acting Assistant Executive Director for housing programs.

On Motion by Commissioner Porter the Regular Meeting of September 23, 2009, was adjourned at 1:44 p.m. in memory of Commissioner Gabriel's father.

Respectfully submitted,

*for*   
SEAN ROGAN  
Executive Director  
Secretary –Treasurer

# **News Articles**

# **Stolen handguns seized; five arrested**

## **Weapons believed taken in recent burglary**

*This story appeared in the Antelope Valley Press  
Friday, September 18, 2009.*

**By**  
**Valley Press Staff Writer**

**DAISY**

**RATZLAFF**

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PALMDALE - Deputies found more than three dozen handguns - some of them in a Section 8-subsidized rental house - and arrested five people in an investigation into a Palmdale burglary in which more than 300 firearms were stolen from a gun collector's home.

Three adults and two teenagers were arrested and the guns were found at two single-story family residences, almost across the street from each other, in the 38800 block of Stanridge Avenue, in the same central Palmdale neighborhood where the burglary occurred, deputies said.

"During the investigation we received information that people living in these two homes are in possession of a large quantity of firearms," said Detective Mark Machanic of the Palmdale Sheriff's Station. "During our search warrants we found items linking the two locations."

Arrested Wednesday were Sharon Marie James, 56; Luis Medina Caprio, 32; Elijah Rashid Coleman, 30; a 17-year-old boy and a 15-year-old boy, all Palmdale residents.

In the burglary, which occurred last week, someone forced entry into the back of a home by breaking a door and took jewelry, electronics and a safe containing a gun collection of 325 firearms.

Machanic estimated the value of the stolen property within the burglary to be approximately \$50,000.

"It was a gun collector with a large amount of guns," he said. "But we were able to locate 37 guns during our search warrants."

Many of the weapons recovered at the two homes appeared to be antique revolvers.

At the two houses deputies also found electronics, jewelry and personal identification believed to have been stolen in the burglary.

Machanic said the warrants were based on prior arrests of individuals living at the Stanridge Avenue residences.

The investigation was conducted by a newly created burglary suppression task force, deputies said.

At least half a dozen patrol cars along with unmarked sheriff's vehicles on Wednesday evening lined both sides of Stanridge Avenue as deputies searched the two homes.

More than 20 neighborhood residents, upon seeing the police activity, watched as deputies conducted their investigation and removed their finds.

The detained individuals, who were inside the house when deputies knocked on their doors, were placed on a brick wall outside of the home's front yard.

Two vehicles were towed away.

One was believed to have been used as the getaway vehicle from the burglary, deputies said.

James, the Section 8 rental aid recipient, was arrested and booked on suspicion of weapons law violations and receiving stolen property, Machanic said.

James, Coleman and Caprio were jailed in lieu of \$50,000 bail and scheduled to appear in court today.

The juveniles' names were not released because they are minors.



## **Housing Affairs Letter Stories posted week of 9/19/09 - 9/25/09**

### **Story of the Week**

#### **Furor Seen Over Work Rule**

Conferees on the FY 2010 HUD appropriations bill (HR 3288) are expected to clash over an amendment requiring community service from able but unemployed public housing tenants and sources say the provision likely will be stricken from the final bill.

The amendment by Sen. David Vitter (R-LA) was adopted during Senate floor deliberations on the \$48 billion measure. It reaffirms the 1998 Quality Housing & Work Responsibility Act requiring tenants to perform eight hours of community service each month unless they are employed, elderly, disabled, receiving state income assistance or otherwise exempt.

Low-income housing advocates contend the law has not been uniformly enforced. Thus, the law should not be applied and restrictions on its enforcement should be in place, they say.

Sen. Patty Murray (D-WA) led the floor fight against the Vitter amendment and she is expected to lead the opposition in conference committee as one of the 22 conferees appointed by that chamber. The House has not named its conferees. Murray, who chairs the Senate's HUD appropriations subcommittee, complains that the work requirement unduly burdens families already economically stressed.

Another Senate amendment, posed by Sen. Mike Johanns (R-NE), would bar any money from being distributed directly or indirectly to the Assn. of Community Organizations for Reform Now (ACORN). That amendment, approved 83-7, is expected to generate debate in conference as well, although it is expected to stand in light of revelations about the group's alleged illegal activities.

09/25/2009 11:31 AM

#### **Affordable Housing**

#### **(STORM RECOVERY) Katrina Housing Flap At Fever Pitch**

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A maneuver by Mississippi Gov. Haley Barbour (R) to divert \$600 million of housing recovery money to refurbish a port is reaching fever pitch a year and a half after it was approved by HUD.

The reason for the public interest in the ploy is the state's record of providing replacement housing for families who lost their homes during Hurricane Katrina in 2005. The storm devastated the entire Mississippi Gulf Coast and prompted an initial \$5.5 billion relief package from Congress to help in the recovery.

The law required Mississippi and its municipalities to spend 50% of the money on low- and moderate-income housing. But Barbour, one-time GOP national chairman and Bush administration confidant, managed to obtain waivers from HUD to spend money on other state projects, the largest of which is the port at

Gulfport.

The port, valued at \$125 million before the storm, was a local pet project for enhancement before the storm because of its proximity to Gulfport gambling casinos. Barbour persuaded former HUD Secy. Alphonso Jackson to sign off on the \$600 million diversion in March 2008 despite Jackson's public misgivings. Barbour's legal hook: Congress failed to specify exactly how the \$5.5 billion should be spent.

The flap simmered below the political radar because of Barbour's popularity and political clout. But a lawsuit by the Mississippi NAACP and the Gulf Coast Fair Housing Center against HUD resurrected the controversy and news outlets around the state have picked up on it.

Added to the public forum is the projection that the state now is on track to produce 15,000 fewer houses than it promised in 2008. And earlier this year, the state requested 5,000 Sec. 8 housing vouchers to aid families priced out of the rental housing market because of soaring rents generated by the affordable housing shortage.

09/25/2009 11:57 AM

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**Assisted Housing**

**(VOUCHERS) Sec. 8 Money Crunch Continues**

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Despite efforts by HUD to infuse the Sec. 8 housing voucher program with enough money to carry administering public housing authorities (PHAs) through FY 2009, agencies continue to freeze vouchers because there isn't enough money available to finance all vouchers.

The latest PHA to freeze vouchers is the Richmond Redevelopment & Housing Authority (RRHA) which administers the Virginia capital's voucher program. RRHA officials cut funding for 43 low-income families that were close to finding new housing.

Earlier, RRHA pulled vouchers for 120 families and it is prodding city officials for an advance payment of \$420,000 to cover rent subsidies for 84 families that already have found new homes.

09/25/2009 11:49 AM



**Fair Housing**

**(LAWSUIT) Fair Housing Settlement Approved**

A fair housing settlement with HUD and the Justice Dept. is approved by the Westchester County, NY legislature. The agreement requires Westchester to create 750 new affordable houses in primarily exclusive white communities and officials must encourage nonwhites to occupy the units.

The settlement, which requires Westchester to invest \$51.6 million, ends a three-year lawsuit accusing the county of false certification of its use of Community Development Block Grant (CDBG) money by claiming the money was used to "affirmatively further fair housing." From 2000 to 2008, the county certified that it had complied with the requirement.

The Anti-Discrimination Center of Metro New York (ADC) disputed the claim and a federal court ruled that the county failed its legal obligation to explicitly analyze "the existence and impact of race discrimination on housing opportunities and choice in its jurisdiction."

The settlement between HUD, the U.S. Atty. for the Southern District of New York and Westchester calls for the county to invest the \$51.6 million in affordable housing over the next seven years where it historically hasn't provided such housing. The county also must pay ADC \$7.5 million and cover court costs.

As part of the settlement, Westchester also must ensure that nonwhite families housed in the new units comprise at least 3% blacks and 7% Hispanics to reflect the population percentages in the county.

09/25/2009 11:53 AM

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#### **DEVELOPMENT) Detroit Moves On Revitalization**

Community development groups in Detroit are in the late stages of crafting a report suggesting eight ways to revitalize the Motor City's neighborhoods, including repurposing thousands of acres of vacant land and buildings. Community Development Advocates of Detroit (CDAD), the local trade association for community development groups, is set to make the final report available in December.

The report is the work of the Community Development Futures Task Force, a group created by the 76 collaborative CDAD members representing community development, local government officials, educational and funding institutions, businesses and nonprofit groups city-wide. The group has been meeting since February and recently offered up an eight-point paper to revitalize the city, which continues to be wracked by job losses and housing foreclosures.

Part of the vision offered indicates that population and job losses must be acknowledged, but that new possibilities for growth must be embraced. A vibrant downtown with stable, livable neighborhoods and a strategy to repurpose huge amounts of vacant land is important.

New uses for the vacant land and buildings include open space, recreation, greenways, urban agriculture, alternative energy production or temporary land banking. Those in low-density areas must have incentives to relocate into more heavily populated neighborhoods. "Detroit has enough vacant land that reuse strategies could begin with little or no displacement of residents," he says.

Finally, the vision requires what CDAD says must be unprecedented collaboration among residents, government, businesses, institutions,

philanthropic and nonprofit groups, and community development groups.

*--Thomas Harman*

**Info:** CDAD, Anita Lane, 313/964-2888

09/25/2009 12:27 PM

### **CDBG-R Status Update**

All of the 1,167 grantee submissions received for CDBG-R funding have been approved by HUD. According to HUD, this comprises over \$979.9 million of the \$980 million distributed to States and localities. Only one jurisdiction, Fairbanks, AK, declined to apply for CDBG-R funds. According to HUD, over 80% of the grant agreements have been executed.

#### *Signage*

In regards to placing signs at CDBG-R sites, HUD is asking grantees to post signs to promote the Administration's theme of transparency in recovery act funding. However, HUD is **not** requiring grantees to undertake this activity.

#### *Buy American Requirement*

HUD is developing a CPD notice on compliance with the "Buy American" requirement in the American Recovery and Reinvestment Act (ARRA). ARRA mandates that all iron, steel, and manufactured goods used in ARRA-funded projects be produced in the United States. The notice is in departmental clearance and should be released shortly. According to HUD staff, the notice will resemble the "Buy American" notice previously issued for HUD's Public Housing programs (NOTICE PIH 2009-31, dated August 21, 2009).

In the PIH notice, HUD provides an exception to the Buy American requirement, "if HUD determines that (1) applying the requirement would be consistent with the public interest; (2) iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities; or (3) inclusion of iron, steel, and manufactured goods produced in the United States will increase the overall cost of the project by more than 25%."

Within the PIH notice, manufactured goods are defined as: "A good brought to the construction site for incorporation into the building or work that has been processed into a specific form and shape; or combined with the other raw material to create a material that has different properties than the properties of the individual raw materials. There is no requirement with regard to the origin of components or subcomponents in manufactured goods used in the project, as long as the manufacturing occurs in the United States."

### **NCDA NEWS**



#### **NCDA Meets with HUD on Affirmatively Furthering Fair Housing**

NCDA met with HUD's Office of Fair Housing and Equal Opportunity (OFHEO) on September 15 to discuss affirmatively furthering fair housing within HUD's CPD programs. The issue of affirmatively furthering fair housing is at the forefront of OFHEO's agenda due to recent court action against the County of Westchester, NY for failing to affirmatively further fair housing. The Anti-Discrimination Center of Metro New York (ADC) filed a complaint under the False

Claims Act against Westchester County disputing the County's claim that it had affirmatively furthered fair housing in the use of its CDBG funds. A federal court ruled in favor of ADC acknowledging that Westchester County had failed its legal obligation by not analyzing "the existence and impact of race discrimination on housing opportunities and choice in its jurisdiction." As part of the settlement, Westchester County must make a \$51.6 million investment in affordable housing over the next seven years in areas of the county that do not have affordable housing. Ultimately, the settlement will result in the construction of 750 units of affordable housing in areas of the county with small or no minority populations.

At the National Fair Housing Alliance Conference in June, HUD Secretary Shaun Donovan made a commitment "to recommit HUD to affirmatively further fair housing." HUD followed up this commitment with a day-long fair housing "listening session" in July where the Department heard from advocates and national groups on the following six areas surrounding affirmatively furthering fair housing:

- How can the existing process be improved?
- What documentation should be required?
- What factors should be included in the Analysis of Impediments to Fair Housing?
- How often should the AI be updated?
- What are the advantages and disadvantages of creating a regional approach to affirmatively furthering fair housing?
- What can communities and public housing agencies do to reduce housing segregation and increase housing opportunities for protected classes under federal housing civil rights laws?

HUD plans to further follow-up on its commitment to affirmatively fair housing by issuing regulations this Fall strengthening the requirement.

NCDA, along with the U.S. Conference of Mayors, National Association of Counties, and National Association for County Community and Economic Development, developed joint recommendations in the six-areas mentioned above and presented them to OFHEO officials during a meeting on September 15. The recommendations are briefly outlined below.

*How can the existing process be improved?*

- (1) Remove the requirement that fair housing activities be funded from the CDBG 20 percent cap. Make fair housing activities a separate eligible program activity.
- (2) FHEO needs to provide ongoing, technical assistance to help CPD grantees understand the requirements to affirmatively further fair housing and how to address the impediments they find. FHEO should also provide resources to help CPD grantees carry out the AI, including the education of citizens on fair housing and civil rights laws.
- (3) FHEO should provide more guidance to CPD grantees on the specific requirements that

should be addressed in the AI, including providing a template for grantees to follow in developing the AI.

*What documentation should be required?*

No additional documentation should be required of CPD grantees in developing, implementing, or reporting on their AI; however, FHEO should develop a template to be made available to CPD grantees to assist them in developing and implementing their AI.

*What factors should be included in the Analysis of Impediments to Fair Housing?*

FHEO's 1996 Fair Housing Planning Guide is a good resource to help CPD grantees identify impediments to be included in the AI; however, the Guide should be updated to reflect any new impediments.

*How often should the AI be updated?*

Keep the existing process in place whereby the AI is updated every five years in conjunction with the preparation and/or updating of the grantees' consolidated plan.

*What are the advantages and disadvantages of creating a regional approach to affirmatively furthering fair housing?*

Further study is warranted on this matter. To further explore this approach, FHEO should consider incentives, such as additional funding, to those communities that make an effort to create a regional approach.

*What can communities and public housing agencies do to reduce housing segregation and increase housing opportunities for protected classes under federal housing civil rights laws?*

- (1) Communities should be encouraged to support private fair housing agencies that will educate protected class members on their housing rights and help those who experience discrimination gather evidence and file complaints.
- (2) Section 8 program administrators should be required to identify impacted areas – census tracts with minority or low-income populations that meet or exceed 40% of the areas' population – and clearly identify those areas to their clients, encouraging them to search for housing opportunities outside of these areas – even allowing higher voucher payment standards for units found in non-impacted areas. Section 8 programs are not currently permitted to operate with more than one voucher payment standard and larger metropolitan areas sometimes are forced to keep their payment standard lower to maximize their budgets and the number of families they can assist. This flies in the face of increasing housing opportunities.

We also urged FHEO and HUD, along with other Federal agencies, to play a stronger role in regulating predatory and sub-prime lenders, citing the fact that low-income and minority communities have been inundated with poorly underwritten loans that ultimately cause the loss



of existing housing and the loss of future housing choice. These entities are still at work in many communities and must be reigned in by federal regulation.

#### **2010 Winter Conference Agenda and Registration Information Posted to Website**

The 2010 NCDA Winter Conference will be held at The Washington Court Hotel in Washington, DC on January 20-22, 2010. The Winter Conference is the perfect opportunity to hear about upcoming policy and budgetary issues and hear directly from HUD staff on program updates. The conference fee is \$400 for members and \$450 for non-members. Members receive a \$25 discount if two members attend from a single community and a \$50 discount if three or more persons attend from a single community. Registration must be paid by check (NCDA is not set-up to accept credit cards) and must be made payable to NCDA. Registrants must cancel before **Monday, January 4, 2010** to avoid the \$100 cancellation fee.

NCDA has reserved a block of rooms at the special rate of \$169.00, plus tax at The Washington Court Hotel, located at 525 New Jersey Avenue, NW, Washington, DC (very close to Capitol Hill). The cut-off date for making your hotel reservations is **December 21, 2009**. Reservations received after this date will be subject to availability and based on the rate offered by the hotel. To make your hotel reservation, call (202) 628-2100 or (800) 321-3010. Be sure to mention NCDA to receive the special hotel rate.

Besides a congressional update and news from HUD, the conference will feature the following:

- Fair Housing 101 Training
- Training on OMB Circulars
- A One-on-One Session with HUD Officials on CDBG-R and NSP Issues
- Plenary Session on the Office of Inspector General (OIG) Audits
- Plenary Session on Affirmatively Furthering Fair Housing
- Plenary Session on the New Continuum of Care Program and HPRP Implementation
- Plenary Session on CDBG, HOME, ARRA Reporting
- Sessions on CDBG and HOME Program Timeliness and Managing Conflict of Interest
- Section 108 Roundtable

You can register directly online at <http://www.ncdaonline.org>

#### **Call for Nominations for the 2010 Audrey Nelson Awards**

NCDA is accepting nominations from its member communities for the 2010 Audrey Nelson Awards. The application is available on NCDA's website at <http://www.ncdaonline.org>. The award recognizes exemplary uses of CDBG funds to address the needs of families and neighborhoods. Award recipients will be recognized during the 2010 Winter Conference. We encourage you to apply, especially, those communities that have never submitted an application in the past. Please fax your application to 202-887-5546.



## Officials can't let up on Section 8 violators

*This story appeared in the Antelope Valley Press  
Saturday, September 26, 2009.*

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Despite some new rules that limit what housing investigators can do, Los Angeles County and the cities of Lancaster and Palmdale are still doing what they can to make sure people don't rip off the government through Section 8 housing fraud.

We seem to be holding our own, but it's important that the Valley stay vigilant because history shows us that where Section 8 fraud exists, very often it's accompanied by other serious crimes such as drug dealing, welfare fraud, identity theft and others. Basically, those who would rip off the housing system usually have no compunction about ripping off other government systems as well.

A little background:

Section 8 is a rental program in which tenants pay their landlord a portion of their rent (usually about 30%) and the federal government pays the rest. Here, the program is operated by the Los Angeles County Housing Authority. It is supposed to be assistance to the elderly and disabled who can't afford full rents, or a temporary help to those who are down and out, but it doesn't always work out that way.

The program has been plagued with fraud and abuse, and here in the Valley both cities and the county have done a great job of cleaning things up, hiring investigators to follow up on complaints in an effort to weed out those who cheat. Most communities don't bother.

Here's the report for August, as compiled by Los Angeles County officials:

As of Aug. 1, there were 3,498 active contracts for Section 8 in the Los Angeles County portion of the Valley.

New contracts: 43.

Terminations: 40.

Moved away: 2.

Six more housing units moved from nonsubsidized to subsidized, bringing to 3,505 the total of active contracts by month's end, an increase of seven for the month.

Terminations occur when investigators find tenants were breaking the rules (having unauthorized people living in the house, doing drugs, having unreported income, etc.). The Housing Authority can move for termination, but tenants have a right to a hearing.

There were 22 such hearings in August, resulting in 12 terminations being upheld (meaning the person is booted from the program) while four were overturned; six are still pending.

Stung by tenants rights group lawsuits, the county has put in place new rules that make getting cheaters out of the program a little harder. Investigators used to be able to practice techniques such as ruses to find out if fraud is going on. Now they must state upfront the purpose for their phone call or visit, which obviously tips off any fraudulent tenants and prompts them to make up a story or cover up evidence to avoid being caught.

Secondly, investigators can no longer recommend termination, only complete their investigations and forward them to the Housing Authority, which then makes a recommendation. One would hope that bureaucrats in Los Angeles would be as vigilant against fraud in the Antelope Valley as front-line investigators living and working here in the Valley would be, but one never knows.

In any event, we commend all the agencies for keeping the pressure on fraud and encourage them to continue.



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## Features

### LAND OF PLENTY

[The District Weekly](#) Wed. September 23

#### Doing good with Long Beach's food philanthropists

Long Beach sprouted out of an agrarian dream, a pastoral fantasy of bean fields and beaches that sustained entire generations before the onset of the city's industrial complex. But as happens with the immutable laws of progress, those plots all eventually disappeared, family farms and cultural traditions wiped out by time. With that came not just a divorce from the land, but a fundamental shift in thinking that has left many of our friends and neighbors without access to or understanding of good, fresh food. Long Beach, however, is blessed now with a whole community of food philanthropists: gardeners, cooks, activists and organizations all using their green thumbs for good. They're reconnecting with the soil, and with Long Beach itself—feeding us, teaching us and reminding us of the simple pleasures (and power) of food. It's not a new vision, but an eternal one, a return to the time when local, seasonal produce dictated diets and compassion compelled those more fortunate to extend a helping hand.

**Jimmy Ng**  
**The Growing Experience**

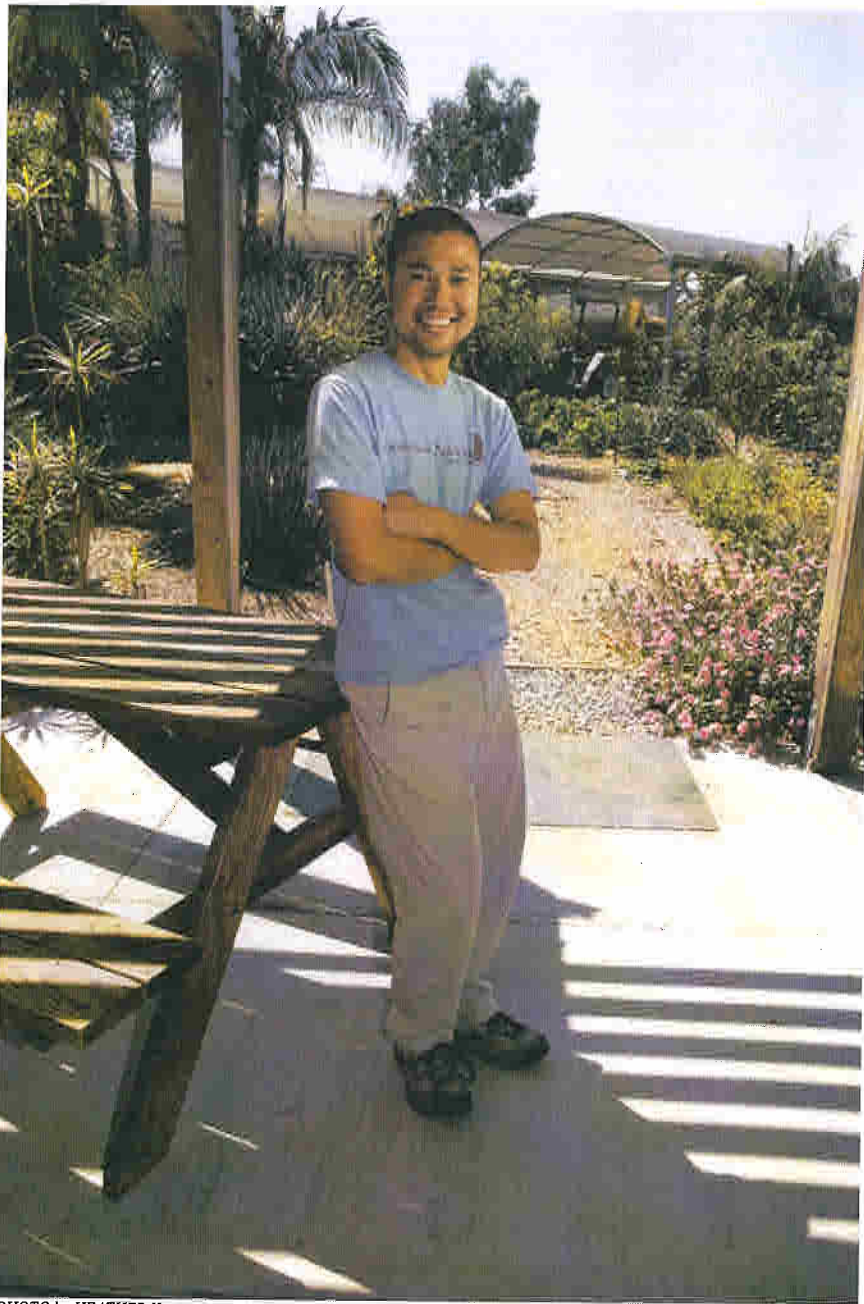


PHOTO by HEATHER X

In a forested corner of North Long Beach, Jimmy Ng treads across the grounds of the Growing Experience. He shares a proud smile as he surveys the land, the crunch of gravel beneath his feet and the dewy drops of almost-autumn in the air.

He scans the garden and singles out a row of drought-tolerant native plants, then points to patches of blueberries and strawberries. A few feet away are end-of-the-season tomatoes (Ng harvested over 30 kinds of heirloom tomatoes and sold about 500 pounds of them this summer) and eggplants so heavy it's a wonder gravity hasn't already plucked them from the vine.

Most astounding is a plot that utilizes "no-dig gardening," a process that begins with a layer of wet newspaper, then a sprinkling of bone meal or blood meal and finally some alfalfa and straw. "We plant right on top of that," Ng explains. "It grows like crazy."

There's an enthusiasm in Ng's voice now, a percolating pride that wells up at each turn through the garden. You

get the feeling, however, that it's not just for what the Growing Experience is or what he has accomplished as project manager, but for what the garden stands for and what *everyone* has achieved.

Ng has been a part of the Growing Experience since its inception in 1996, an urban farming project that reclaimed and transformed an empty lot adjacent to the Carmelitos public housing project. Carved out of two separate spaces, the six-acre garden supplies fresh, local and low-cost produce to residents through a biweekly farmers market and also includes 60 individual plots for residents to grow their own vegetables. There is, of course, a waiting list.

Collaboratively run by the Los Angeles County Community Development Commission and the University of California Cooperative Extension, the Growing Experience cultivates not just produce, but passion, too. And not just on behalf of Jimmy Ng—the garden has changed lives.

There's perhaps no greater story than that of Manuel Cisneros. After his auto-repair shop was destroyed in the 1992 LA Riots, Cisneros, his wife and four children moved to Carmelitos to rebuild their lives between the walls of a one-bedroom apartment. Cisneros eventually enrolled in the Growing Experience's job-training program, which provides participants both classroom knowledge and soil-level experience. Through the program, Cisneros learned English, as well as invaluable gardening skills that propelled him toward the position of agricultural program coordinator for the Growing Experience.

But Cisneros' success isn't unique. That same job-training program also provides job-search and job-placement services, which have helped a number of graduates move out of public housing and even purchase their own homes. The garden also runs a summer youth program, which teaches not only landscaping but also the kind of foundational work ethics that shape entire lives.

All this has helped rehabilitate a community that was, by even the most generous accounts, troubled.

"I've seen the neighborhood improve a lot since starting [at the Growing Experience] 13 years ago. When residents come to the garden, they tend to be a lot more relaxed and over time have taken ownership in the community," Ng says. "I'd like to think that the Growing Experience had a part in achieving the neighborhood improvement, as it draws people together in a non-threatening way with the goal of growing food. What could be more simple and satisfying?"

Ng says the Growing Experience owes much of its success to the dedicated support of Los Angeles County Supervisor Don Knabe and the housing commissioners of the Los Angeles County Housing Authority. And while he's quick to acknowledge all of the program's supporters, it's quite clearly a list too long to detail—one that includes the city of Long Beach, along with state and federal sources.

His feet planted again in the garden's gravel, Ng seems in awe of the Growing Experience's own growth. Even as he recounts selling 700 pounds of figs and plots the production of a Growing Experience pesto, Ng says there's still room for more development. And that's not even taking into account the fact that the Growing Experience already houses 20 chickens. "We have them for their eggs. They're free-range; they're organic. . . . These are the chickens that won the lottery," Ng jokes.

As the garden has expanded, so, too, has its harvest. It's so large, in fact, that the Growing Experience now yields more produce than the residents can reasonably consume. So Ng has taken the next step and begun selling surplus produce to restaurants and companies like beachgreens, a local farmers market delivery service. Ng also acknowledges that with the roiling momentum of the green movement, there's a distinct opportunity to further build the program and replicate its successes at virtually any of the area's low-income housing communities.

And yet, Ng's happy where he's at.

"To me, just being here where we are is the future. Here in the middle of North Long Beach, there wasn't much access to nature. Kids hadn't seen vegetables growing. We give them that. To me, that's exciting every day."

**MILES CLEMENTS**



## **Assisted Housing**

### **(RENTALS) New Fair Market Rents Final**

—

HUD makes final its FY 2010 Sec. 8 Fair Market Rent (FMR) levels despite complaints about the levels in some cities. The annual FMRs for the Sec. 8 tenant-based program determines initial renewal rents for some Sec. 8 contracts and serves as a rent limit for the HOME rental assistance program.

A few municipalities disputed their FMR levels. HUD received 10 comments on its proposed FMRs issued in August. Most argued that the proposed FMRs were incorrect for their market areas, but HUD says the communities provided no information to support their contentions.

Reno, NV officials say the city's proposed 2010 FMRs are too high, and that an increase is unnecessary. HUD's trend factor used as part of the calculation showed a 3% increase, which caused Reno's FMR to increase. HUD says the source of the increase for the city is in the nearly 6% increase in two-bedroom rentals between 2006-2007. HUD is to conduct a survey to see if more recent rents will allow it to lower the Reno FMR.

The Lafayette, IN Housing Authority disagrees with HUD's decision to increase its FMR by 1.4%, saying "funding for the HCV program continues to lag so far behind that we must continue to decrease the number of households we can assist." HUD contends the latest Consumer Price Index data for the city shows rent and utility indexes increasing.

More of those who provided comments complained that the local FMRs are too low. For instance, one real estate management firm in New Bedford, MA notes that FMRs have fallen too far for professionally managed communities, making them unable to have voucher tenants.

Two housing trade groups sought adjustments to the overall methodology used. The National Assn. of Housing & Redevelopment Officials (NAHRO) recommended general changes to the FMR and Income Limit methodology.

The National Assn. of Home Builders (NAHB) wanted HUD to conduct random digit dialing (RDD) surveys in areas where FMRs dropped by more than 5%. Two areas have a more than 5% drop in FMRs -- San Diego, CA and Ann Arbor, MI. HUD says it is bound legally to use the most recent data and that limiting increases or reductions would not follow present law. Doing the RDD's, it says, would be a wasteful use of resources.

Info: [www.cdpublications.com/docs/6890](http://www.cdpublications.com/docs/6890)

10/02/2009 11:46 AM

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## **Fair Housing**

### **(FAITH DECISION) Churchgoers Ousted In Housing Pact**

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A Justice Dept. settlement with the GuideOne Mutual Insurance Co. of Iowa bans special discounts for churchgoers. The Justice complaint alleged the insurer violated the Fair Housing Act by offering discounts to renters and homeowners who were "churchgoers" and "persons of faith."

GuideOne's special "FaithGuard" endorsement waived deductibles for policyholders who were involved in accidents on the way to and from church. It doubled medical limits for policyholders injured in church-related activities in their home. The policy also paid up to \$740 when a policyholder injured at home had lost income.

GuideOne doesn't admit fault in the settlement. The insurer agrees to pay a \$45,000 civil fine and split a \$29,500 payment among three individuals who complained about the practice.

10/02/2009 12:22 PM

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#### **GSEs**

#### **(EXEC PAY) New Freddie Mac CFO Pay Endorsed**

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A \$2 million signing bonus and the possibility of a \$3.5 million annual paycheck for new Freddie Mac Chief Financial Officer Ross Kari is endorsed by the mortgage firm's chief regulator, the Federal Housing Finance Agency (FHFA).

The government-sponsored enterprise (GSE) says the signing bonus compensates Kari for potential incentive pay he forfeited in leaving Fifth Third Bancorp. Kari's base annual salary will be \$675,000 with the opportunity to earn as much as \$3.5 million

FHFA justified the salary, saying the GSE has been searching for a qualified CFO for more than a year and the amount is comparable to market salaries.

10/02/2009 12:27 PM

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#### **Public Housing**

#### **(RECOVERY) Galveston Public Housing Dispute**

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Galveston, TX Housing Authority (GHA) officials are caught in the middle of a dispute over where to site new public housing units to replace those lost when Hurricane Ike struck the island community in 2008. The storm devastated the city's four public housing projects.

The GHA board earlier this year approved rebuilding all 569 demolished units in

high-density developments on the same land. But some Galveston residents are pressing the GHA to scatter some of the units across the city to help accelerate rebuilding of those sections.

Instead of building 40 units on an old site, residents suggest redeveloping existing single-family homes at scattered sites.

An earlier plan had the GHA adding 1,500 subsidized units to its portfolio. But the agency abandoned the plan after vociferous opposition from island residents.

10/02/2009 12:24 PM

### **Senior Housing**

#### **(ELDERLY) Schools Convert To Senior Co-ops**

—  
A Minnesota developer proposes to purchase two former elementary schools in Minneapolis and redevelop them into senior cooperatives. The plan by United Properties would link the new co-ops to its collection of Applewood Pointe senior housing co-ops.

The vacant Howe Elementary School would be renovated into nearly 90 units while the Northrop Elementary School would be demolished and replaced with two new buildings containing about 90 units. The units at both sites are expected to sell for \$165,000 to \$325,000.

The two projects, expected to cost about \$20 million, will be the first Applewood Pointe senior housing in the city. The other five projects are situated in suburban Minneapolis locations.

The developments will offer one- and two-bedroom units, fitness centers, whirlpools, lounges, and libraries with computer access.

10/02/2009 12:42 PM

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### **State & Local**

#### **(VANDALISM) Vandals Sabotage New Public Housing**

—  
Two of three new buildings containing 37 affordable rental apartments sustained thousands of dollars in damages after vandals opened pipes, drenching 11 of the units in the structures in Missoula, MT. The Missoula Housing Authority's preliminary damage estimate is about \$100,000 per building.

The vandalism sets back the grand opening of the project, which was just days away. Eleven families expected to be housed in the new units by Thanksgiving but now will have to wait until sometime next year for new apartments.

10/02/2009 12:29 PM



provided a document on "PBV: Frequently Asked Questions," which is online at [www.hud.gov/offices/pih/programs/hcv/pubs/pbvfaq.pdf](http://www.hud.gov/offices/pih/programs/hcv/pubs/pbvfaq.pdf). NAHRO plans to file comments, and encourages members to provide their comments to Jonathan Zimmerman at [JZimmerman@nahro.org](mailto:JZimmerman@nahro.org).

### ***Feedback Requested on HUD Admin. Fee Study Design***

On July 6, 2009, HUD posted its draft statement of work regarding a future study of administrative fees under the Housing Choice Voucher (HCV) program. The overall objective of the study is to ascertain how much it costs a public housing agency to run an efficient HCV program. HUD's ultimate purpose is to develop a formula for allocating administrative fees. HUD issued an invitation to research firms to bid on the right to develop research methodology, perform the study, design a formula and issue a report. The outcomes produced by this study are likely to have important financial implications for agencies administering the HCV programs in the years to come.

NAHRO summary of HUD's planned administrative fee study is online at [www.nahro.org/members/monitor/2009/715.cfm#c](http://www.nahro.org/members/monitor/2009/715.cfm#c). NAHRO reminds its members to review the draft SOW at <http://tinyurl.com/mmlo62> and provide comments via email to [HCVAdminFeeStudy@hud.gov](mailto:HCVAdminFeeStudy@hud.gov). NAHRO plans to participate in advisory panel discussions and will provide written comments on the draft statement of work and HUD's research study design. NAHRO encourages members to provide a copy of your comments or questions to Jonathan Zimmerman at [JZTechAssist@nahro.org](mailto:JZTechAssist@nahro.org).

### ***Notice on Collecting Additional Applicant Contact Info***

On Sept. 15, HUD issued a notice (PIH 2009- 36) providing guidance to owners and management agents and public housing agencies (PHAs) regarding implementation of the requirements of Section 644 of the Housing and Community Development Act of 1992. Section 644 requires housing providers participating in federally-assisted housing programs (including public housing, Section 202, 811, 236, 221(d)(3), 101, and HCV) to give any individuals or families applying for occupancy the option of providing information regarding an additional contact person or organization as part of their application.

By collecting additional contact information from applicants, housing providers will be better positioned to connect with tenants' support systems, including other service providers. These connections can also be used to help resolve any problems that might arise during tenancy or to assist in providing any special care or services that the tenant may require.

PIH 2009- 36 includes form HUD-92006 as an attachment. By completing this form, applicants can supply housing providers with the contact information of a family member, friend, or social, health, advocacy or other organization. Applicants may list one or multiple contacts, though PHAs cannot require them to list any. Although

## **Project Based Vouchers – Frequently Asked Questions**

### **What organizations are eligible to apply for project-based voucher funding from HUD?**

There are no appropriations for this program and HUD does not allocate funding for project-based voucher assistance. Instead, funding for project-based vouchers comes from funds already obligated by HUD to a PHA under its annual contributions contract (ACC). The PHA can use up to 20 percent of its housing choice vouchers for project based vouchers.

### **What families are eligible to obtain project-based vouchers?**

Any eligible family on a PHA's housing choice voucher waiting list that is interested in moving into the specific project. Owners select families for occupancy of a particular unit after screening each family.

### **How do families obtain project-based vouchers?**

PHAs refer families, who have already applied to a PHA for housing choice vouchers and are on the PHA's waiting list, to properties that have project-based voucher assistance when units become vacant.

### **How much rent do vouchers cover?**

The PHA pays the owner the difference between 30 percent of family income and the gross rent for the unit.

### **How are project-based vouchers different from tenant-based vouchers?**

Under the tenant-based housing choice voucher program, the PHA issues an eligible family a voucher and the family selects a unit of its choice. If the family moves out of the unit, the contract with the owner ends and the family can move with continued assistance to another unit.

Under the project-based voucher program, a PHA enters into an assistance contract with the owner for specified units and for a specified term. The PHA refers families from its waiting list to the project owner to fill vacancies. Because the assistance is tied to the unit, a family who moves from the project-based unit does not have any right to continued housing assistance. However, they may be eligible for a tenant based voucher when one becomes available.

### **What type of contracts do PHAs sign with property owners under this program?**

The PHA and the owner execute an agreement to enter into housing assistance payments (HAP) contract. Under this contract the owner agrees to construct or rehabilitate the units, and the PHA agrees to subsidize the units upon satisfactory completion of the rehabilitation or construction.

Upon satisfactory completion of the rehabilitation or construction and for existing development, the PHA and the owner execute a HAP contract for a ten-year term that is dependent on availability of funding under the PHA's ACC with HUD. The HAP contract establishes the initial rents for the units and the contract term, and describes the responsibilities of the PHA and the owner. HAP contracts can be renewed subject to availability of funding.

### **How do PHA's select units for inclusion in this program?**

The PHA must adopt a written policy for selection of units to which assistance will be attached and must publicly advertise that it will accept owner proposals for the project-based voucher program. Generally, rents are set based upon market comparables and may not exceed 110% of the published existing housing fair market rents. Substandard rental housing is eligible if rehabilitation costs are at least \$1,000 per unit.

New construction of rental units is also eligible as well as standard existing housing. Rental units assisted under certain other Federal housing programs (e.g., rental rehabilitation, public housing) cannot be assisted with project-based voucher assistance.

**How should interested owners or prospective owners of rental property apply for this program?**

Contact the local PHA to determine whether the PHA administers a project-based voucher program and to obtain information.

**What type of funding is available under the project-based voucher program?**

No specific funding is provided by HUD. PHAs may use up to 20% of the funds in its housing choice voucher program to provide project-based assistance.

**What regulations cover this program?**

Regulations are found at 24 CFR 983.

intended to give FHA the additional resources in personnel and technology needed to handle the surge in single-family mortgage activity.

Both bills were passed on September 15.

### **Multifamily Mortgage Limits**

For multifamily mortgages, H.R. 3527 would allow HUD to set the limits for elevator structures at up to 50 percent above the limits for non-elevator buildings. Current law establishes separate dollar limits for elevator structures which are much lower than 150 percent of the non-elevator limits.

For example, the 2009 Section 221(d)(4) two-bedroom mortgage limits for buildings without and with elevators are \$62,026 and \$68,070, respectively. Under the House-passed bill, the elevator limit could be as high as \$93,039.

The provision would apply to project mortgages financed under Sections 207, 213, 220, 221(d)(3), 221(d)(4), 231, and 234.

In addition, the multifamily limits could be increased by as much as 50 percent over the current high-cost limits in areas to be designated by HUD as extremely high-cost areas.

The higher limits would apply to mortgages insured after September 30, 2009.

### **FHA Workload**

To handle the increasing FHA single-family mortgage workload, H.R. 3146 would allow HUD to hire additional personnel without regard to the general federal job classifications and pay rates. Compensation would have to be comparable to employees of the Federal Reserve Board, Federal Deposit Insurance Corporation, and Federal Housing Finance Agency.

HUD could also make use of outside consultants and personnel from other federal agencies on a reimbursable basis.

The bill would also direct HUD to carry out a comprehensive training and education program to improve the service provided by its personnel, and it would authorize the use of up to \$72 million in excess FHA mortgage insurance premium income to upgrade technology systems.

### **Other Provisions**

The bill also calls for action by HUD to improve its risk management, including a review of single-family mortgages originated during the previous year under which the borrower became at least 60 days delinquent during the first 90 days of the mortgage term in order to determine which loans should not have been originated or insured.

In addition, the bill includes a sense of the Congress provision expressing concern about the declining availability of warehouse lines of credit for lenders originating mortgages for sale into the secondary market and calling for action by federal agencies to address the problem.

The measure would also authorize HUD to conduct demonstration programs for alternative foreclosure avoid-

ance methods, such as short sales and deeds in lieu of foreclosure, which could involve full or partial FHA mortgage insurance claim payments.

The bill would also exempt Section 203 FHA condominium unit mortgages from environmental review requirements.

### **ASSISTED HOUSING \***

## **HUD May Eliminate Hold-Harmless Policy for Section 8 Income Limits**

HUD is considering the elimination of its hold-harmless policy for Section 8 income limits, which would allow the limits to go down when the department's methodology indicates that a reduction is warranted.

A notice of the possible policy change was published in the September 14 Federal Register, and comments are due October 14.

HUD determines the income limits through calculations involving median family income estimates, housing cost adjustment data, and metropolitan area definitions. It has been the department's policy to maintain Section 8 limits at previously published levels when these calculations would otherwise result in a reduction in order to avoid jeopardizing the financial feasibility of existing projects.

The primary concern has been low-income housing tax credit and tax-exempt bond projects, where a reduction in income limits would also reduce the maximum rents owners could charge. However, the Housing and Economic Recovery Act of 2008 (HERA) eliminated that problem by providing a project-level hold-harmless provision for existing tax credit and bond projects.

### **Impact of Current Policy**

According to HUD, its hold-harmless policy has had an adverse effect on other federal housing programs, increasing the number of eligible participants and making it harder to target assistance to those most in need.

Since more than 99 percent of HUD-assisted households have extremely low-income incomes, the notice says, "modest decreases" in Section 8 income limits would have "minimal impact" on residents of subsidized housing.

However, the notice adds, other programs which use the Section 8 income limits to determine eligibility may be affected, including, but not necessarily limited to, the mortgage revenue bond program, rural housing programs, VA disability income support payments, and Uniform Relocation Act replacement housing assistance.

In addition, the notice says, HUD's determination of difficult development areas (DDAs) for the tax credit program will be affected. Those areas are designated on the basis of a high ratio of construction, land, and utility costs to median gross income and may not include more than 20 percent of the population of all areas evaluated under the formula.

"The hold-harmless policy may prevent increases in this ratio for areas that would otherwise experience decreasing income limits, making them less likely to be designated as a DDA," the notice says.



### Comments Sought

HUD is seeking comments on whether these programs would better target assistance to individuals and communities with the greatest need if the department eliminated its hold-harmless policy and allowed Section 8 income limits to decline in accordance with the statutory and regulatory formula.

In addition, the department is specifically inviting comments on the applicability of the income limits to the HOME program. It suggests keeping the hold-harmless policy in the calculation of HOME program rents while eliminating the policy with respect to eligibility requirements for HOME and other programs.

"Maintaining the hold-harmless policy for HOME program rents would prevent such rents from falling in areas where incomes may be falling," the notice says, "while discontinuing the hold-harmless policy with respect to eligibility requirements would help target HOME funds for use by families with lower incomes and greater need."

HUD says any change in policy would become effective only upon publication of a future notice.

### MORTGAGE FINANCE

## FHA Reserves Likely to Fall Below 2 Percent; Steps Planned to Revise Credit Policy, Risk Management

Rising defaults on FHA home loans are expected to push the Mutual Mortgage Insurance Fund's (MMIF) reserves below the statutory minimum of 2 percent, according to Assistant Secretary for Housing-FHA Commissioner David H. Stevens, who outlined several steps the department is taking to address the problem and improve FHA's risk management.

As part of those measures, Stevens also announced his intention to hire the FHA's first chief risk officer.

Under the Cranston-Gonzalez Act, an independent actuarial study is conducted annually to determine the MMIF's capital reserve ratio. If the ratio drops below 2 percent, HUD may propose an increase in the FHA mortgage insurance premium.

The latest study, which is now being completed and will be sent to Congress in November, is expected to show the capital reserve ratio is below 2 percent.

"To be clear, the fund's reserves are sufficient to cover our future losses, so the FHA will not require taxpayer assistance or new congressional action," Stevens said. "That said, given the size and scope of the FHA and its importance to today's market, these risk management and credit policy changes are important steps in strengthening the FHA fund, by ensuring that lenders have proper and sufficient protections."

### Mortgagee Letters

Several measures are being implemented through mortgagee letters, which were issued on September 18 and will go into effect on January 1.

Under Mortgagee Letter 2009-31, supervised mortgagees will be required to submit audited annual financial

statements to FHA, allowing the agency to make sure that they are adequately capitalized.

The mortgagee letter also includes guidance on provisions in the Helping Families Save Their Homes Act of 2009 that impose restrictions on eligibility to participate in FHA programs.

In Mortgagee Letter 2009-32, HUD has revised the procedures for FHA streamline refinancings to establish new requirements for seasoning, payment history, income verification, and demonstration of a net tangible benefit to the borrower.

For example, at the time of loan application, the borrower must have made at least six payments on the FHA loan being refinanced.

In addition, the loan-to-value (LTV) ratio will be capped at 125 percent, and credit score information will have to be obtained when available. Also, an appraisal will be required in all cases where a borrower wants to add closing costs to the transaction.

### Appraisal Changes

HUD has also issued three mortgagee letters revising FHA appraisal guidelines.

Mortgagee Letter 2009-28 sets requirements for the independence and geographic competence of appraisers. It makes clear that FHA doesn't require the use of appraisal management companies (AMCs) or other third parties, but does require lenders to take responsibility for ensuring that appraisers are independent. Mortgage brokers and commission-based lender personnel will be prohibited from ordering appraisals.

FHA also plans to adopt language from the Home Valuation Code of Conduct to ensure that its appraisal policies are aligned with Fannie Mae-Freddie Mac standards.

New portability guidelines in Mortgagee Letter 2009-29 will allow a second appraisal to be ordered under limited circumstances when a borrower switches to a new lender.

Specifically, a second appraisal may be ordered when the first appraisal contains material deficiencies, the appraiser performing the first appraisal is on the second lender's exclusionary list, or failure of the first lender to provide a copy of the appraisal to the second lender in a timely manner would delay the closing, causing potential harm to the borrower.

In addition, the first lender will have to transfer the initial appraisal to the new lender at the borrower's request.

FHA's appraisal validity period will be reduced to four months for all transactions under Mortgagee Letter 2009-30. Currently, appraisals are valid for six months for existing properties and up to 12 months for proposed construction and properties under construction.

### Regulatory Proposals

HUD is also planning regulatory changes for mortgagee approval and net worth requirements.

Lenders seeking approval to originate, underwrite, or service FHA-insured mortgages will have to meet the eligibility criteria for a supervised or nonsupervised mort-

For more information on the National Conference and the Gala, please visit [www.nahro.org/conferences/natprogram.cfm](http://www.nahro.org/conferences/natprogram.cfm).

## Other News

### \* **Survey: Insufficient Admin. Fees Led to Reductions in Service**

Since enactment of the "Quality Housing and Work Responsibility Act of 1998" (QHWRA), the first year that Public Housing Agencies (PHAs) began to experience administrative fee funding shortfalls was 2004. The basis for PHAs' administrative fee funding shortfalls is in comparison with the ongoing and special fee rates PHAs were eligible to earn using pre-QHWRA fee rates for each authorized voucher-assisted household leased under the Housing Choice Voucher program. To help further gauge the impacts of administrative fee funding shortfalls from CY 2004 - CY 2008 on PHA services to low-income families and participating property owners, NAHRO conducted a survey of its membership. A total of 44 PHA members from around the country responded to the survey. A brief summary of the survey results shows that from CY 2004 - CY 2008:

- **Maintaining Overall Level of Service(s):** 79 percent of PHAs could not maintain the proportional level of service from 2004 - 2008 per voucher-assisted households and owners when compared with 2003. Of these agencies, 39 percent cited insufficient administrative fees; 49 percent cited insufficient Housing Assistance Payment (HAP) funding, Net Restricted HAP Assets (NRA) and administrative fees; and 12 percent cited insufficient HAP and NRA.
- **Type(s) of Service(s) Lost:** The types of services PHAs had to eliminate or reduce due to admin. fee reductions included: services provided beyond the minimum needed to perform eligibility verifications and dwelling inspections; housing counseling services; vacant unit listing services; fraud investigation services; and one-on-one interviews. Other effects included delays in conducting move-in inspections; a decrease in staff days and hours worked per household and increased caseloads; increased staff response time to answer telephone calls; reduced staff time to help families with social service referrals; discontinuation of the FSS program due to insufficient funding; reduction or elimination of staff to assist owners. One agency had to consolidate with two other agencies to form one PHA.
- **Staff Layoffs:** 35 percent of PHAs laid off staff. Of these agencies, an average of 16 percent of their Full-Time Employees (FTEs) were laid off.
- **Leasing Families with Insufficient Admin. Fees:** 32 percent of PHAs were adversely affected in their ability to lease the total number of families that they could have otherwise served with the HAP funds and additional net restricted HAP assets available to them. Among the 32 percent, the average percentage of additional families they could have served (not to exceed 100 percent of their authorized vouchers) with 100 percent funding of pre-QHWRA administrative fee rates was approximately 8 percent per year.
- **Agency Faced or Facing Terminating HAP Assistance on Behalf of Voucher-Assisted Families:** 32 percent of PHAs have been in a financial position where

they were working with insufficient HAP and net restricted HAP assets, such that they were forced to terminate housing assistance to participating property owners on behalf of voucher-assisted households from 2004 - 2008. 42 percent of the PHAs that were facing the possible termination of housing assistance to existing families under lease used their administrative fee funds to pay for voucher-assisted households' Housing Assistance Payments in order to prevent an average of 11 percent of the families they served from having their housing assistance terminated.

- *Restoring Lost Services and Serving the Maximum Number of Families with HAP and NRA Available:* In order to restore their PHAs' staffing and services to maximize the number of families they served with the total amount of HAP funding and net restricted HAP assets available to their highest level from 2003 to 2008, PHAs estimated that they would need an 18 percent increase in total administrative fee funding when compared with 2008 pro-rated funding levels.
- *Quantifying Restoration of Lost Staff if Administrative Fees Were Increased:* If PHAs were to receive an average 18 percent increase in total administrative fee funding compared with 2008 pro-rated funding levels, specific measures they would take to restore their staffing back to their highest level of service from 2003 to 2008 included: hire more inspectors; hire customer service staff to develop a call center for customer support; relieve program staff of some inspection duties; hire another staff person and contract for fraud investigation services; restore the director to 100 percent full-time from 90 full-time; restore lost staff wages; provide staff COLAs that had been frozen for three years; provide staff salary increases; restore level of staff health benefits; restore staff retirement funding; automate inspection process; upgrade computers, software, printers and digital imaging equipment; purchase audio visual equipment; and restore staff trainings.

Of the PHAs in the survey, nine agencies administer 250 vouchers or less, seven agencies administer between 250 to 500 vouchers, 17 agencies administer between 500 to 1,500 vouchers, and ten agencies administer 1,500 or more vouchers. Of the PHAs in the survey, 42 percent operate in a city, 37 operate in a county, 19 percent operate in multiple counties and 2 percent operate state-wide. Of the PHAs in the survey, 16 percent operate in metropolitan areas, 14 percent operate in suburban areas, 41 percent operate in rural areas, 9 percent operate in metropolitan and suburban areas, and 20 percent operate in metropolitan, suburban and rural areas. At least one agency participated in the survey from each of the following states: AL, CA, CO, CT, IA, IL, IN, KS, MA, ME, MN, MO, MS, ND, NE, NM, NY, OH, OK, OR, PA, WA, WI, and WV. A copy of NAHRO's "HCV Administrative Fee Administrative Actions Survey" is available at [www.nahro.org/legislative/2009/adminactions\\_survey.pdf](http://www.nahro.org/legislative/2009/adminactions_survey.pdf)

On March 16, 2009 NAHRO released its study of the Housing Choice Voucher (HCV) program's ongoing administrative fee pro-rations, when compared with rates in effect immediately prior to the enactment of the Quality Housing and Work Responsibility Act of 1998 (QHWRA) for each authorized voucher-assisted



provided a document on "PBV: Frequently Asked Questions," which is online at [www.hud.gov/offices/pih/programs/hcv/pubs/pbvfaq.pdf](http://www.hud.gov/offices/pih/programs/hcv/pubs/pbvfaq.pdf). NAHRO plans to file comments, and encourages members to provide their comments to Jonathan Zimmerman at [JZimmerman@nahro.org](mailto:JZimmerman@nahro.org).

### **Feedback Requested on HUD Admin. Fee Study Design**

On July 6, 2009, HUD posted its draft statement of work regarding a future study of administrative fees under the Housing Choice Voucher (HCV) program. The overall objective of the study is to ascertain how much it costs a public housing agency to run an efficient HCV program. HUD's ultimate purpose is to develop a formula for allocating administrative fees. HUD issued an invitation to research firms to bid on the right to develop research methodology, perform the study, design a formula and issue a report. The outcomes produced by this study are likely to have important financial implications for agencies administering the HCV programs in the years to come.

NAHRO summary of HUD's planned administrative fee study is online at [www.nahro.org/members/monitor/2009/715.cfm#c](http://www.nahro.org/members/monitor/2009/715.cfm#c). NAHRO reminds its members to review the draft SOW at <http://tinyurl.com/mml062> and provide comments via email to [HCVAdminFeeStudy@hud.gov](mailto:HCVAdminFeeStudy@hud.gov). NAHRO plans to participate in advisory panel discussions and will provide written comments on the draft statement of work and HUD's research study design. NAHRO encourages members to provide a copy of your comments or questions to Jonathan Zimmerman at [JZTechAssist@nahro.org](mailto:JZTechAssist@nahro.org).

### **Notice on Collecting Additional Applicant Contact Info**

On Sept. 15, HUD issued a notice (PIH 2009- 36) providing guidance to owners and management agents and public housing agencies (PHAs) regarding implementation of the requirements of Section 644 of the Housing and Community Development Act of 1992. Section 644 requires housing providers participating in federally-assisted housing programs (including public housing, Section 202, 811, 236, 221(d)(3), 101, and HCV) to give any individuals or families applying for occupancy the option of providing information regarding an additional contact person or organization as part of their application.

By collecting additional contact information from applicants, housing providers will be better positioned to connect with tenants' support systems, including other service providers. These connections can also be used to help resolve any problems that might arise during tenancy or to assist in providing any special care or services that the tenant may require.

PIH 2009- 36 includes form HUD-92006 as an attachment. By completing this form, applicants can supply housing providers with the contact information of a family member, friend, or social, health, advocacy or other organization. Applicants may list one or multiple contacts, though PHAs cannot require them to list any. Although



not required, HUD recommends that existing tenants also be given the opportunity to provide this information and that tenants be given the opportunity to update information during annual recertification. All information provided is to be kept confidential and to be used only as specified by the tenant. For more information and a copy of form HUD-92006, see HUD notice PIH 2009- 36 (HA), online at [www.hud.gov/offices/pih/publications/notices/09/pih2009-36.pdf](http://www.hud.gov/offices/pih/publications/notices/09/pih2009-36.pdf).

A notice detailing requirements related to Section 644 appeared in the Jan. 22, 2009 *Federal Register* (see <http://edocket.access.gpo.gov/2009/pdf/E9-1165.pdf>.) HUD will be issuing a conforming rule amending the regulations to reflect these requirements.

### *A First Glance: NAHRO Recovery Act Survey*

On August 26, 2009, NAHRO released its Recovery Act Survey to members. NAHRO expects that the results of this survey will enable NAHRO to respond to inquiries and to provide progress reports to Congress, the media and the public at large on the ability of housing agencies to expend Capital Fund dollars provided through the Recovery Act on a timely basis in concert with specified time frames in the Act. The survey is also intended to provide a more complete picture of what housing agencies are using their capital fund dollars for, such as roof repairs, siding, energy retrofits, etc.

We are proud to say that on September 16, we had over 500 survey participants! Thank you! Though we plan to release a more detailed analysis later this year, we would like to share with you some of the preliminary results.

Participants seem to be right on track when it comes to obligating and expending funds. For instance, survey participants believe that on average, 91.7 percent of their funds will be obligated by the end of this year. When asked, "Do you expect to have all your Recovery Act funds obligated within one year of receipt of funds?" 97.5 percent of participants said "yes" (see graph 1).

Additionally, at the close of the survey, participants have made significant strides in obligating and expending their funds. Graphs 2 and 3 illustrate that survey participants are ahead of the process in their obligation and expenditure rate, considering funds must be obligated within one year of receipt and spent within 3 years of their receipt. As of September 16, NAHRO survey participants have obligated, on average, 54 percent of their funds and expended, on average, 18.3 percent of their funds.

Though NAHRO members have been successful in utilizing Recovery Act funds, many cited barriers that have caused difficulty in obligating and expending funds. Buy America provisions and environmental reviews were the top two reasons cited for their difficulty, though the majority of participants stated they had "no difficulty" in obligating and expending funds.



## *Housing Quality Standards (HQS) Draft Notice - Request for Comment*

HUD is seeking comment from PHAs and all interested persons on its draft notice ([www.hud.gov/offices/pih/programs/hcv/hqs/hqsdraftnotice.doc](http://www.hud.gov/offices/pih/programs/hcv/hqs/hqsdraftnotice.doc)) that provides guidelines for Housing Quality Standard inspections. These include a list of published guidance that inspectors may rely upon in making determinations in their inspections, as well as additional clarifying guidance regarding the inspection and standards for certain electrical receptacles.

HUD is particularly interested in receiving comments on the potential impact the inspection guidelines regarding ungrounded three-prong outlets will have on property owners and the availability of housing to participants in the Housing Choice Voucher program. PHAs are asked to explain in detail the basis for all of their comments. All comments must be submitted electronically at [HCVHQSComments@hud.gov](mailto:HCVHQSComments@hud.gov) by Sept. 30. For background purposes, HUD also provided a Frequently Asked Questions guide at [www.hud.gov/offices/pih/programs/hcv/hqs/hqsfaq.pdf](http://www.hud.gov/offices/pih/programs/hcv/hqs/hqsfaq.pdf). NAHRO plans to file comments, and encourages its members to provide their comments to Jonathan Zimmerman at [JZimmerman@nahro.org](mailto:JZimmerman@nahro.org).

### *Recent HUD Webcasts*

HUD webcasts covering various topics, including question-and-answer sessions with panelists, are archived by HUD and available at [www.hud.gov/webcasts/archives/](http://www.hud.gov/webcasts/archives/). Recent webcasts have addressed the following subjects:

- Section 202/811" (Sept. 23, 2009);
- PIH Implementation of the 'Rent Refinement' Rule" (Sept. 24, 2009);
- Section 202 Anniversary Celebration" (Sept. 16, 2009);
- Repair, Renovate and Paint" (Sept. 14, 2009); and
- Recover Act Management and Performance System (RAMPS) NEPA Environmental Training" (Aug. 26, 2009)

## **NAHRO News**

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The Home Depot® is the world's largest home improvement specialty retailer. The Home Depot offers customized cost reduction solutions that target and meet the evolving needs of specific professional customers involved in government, residential and commercial construction and

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household. NAHRO's study shows that over a six-year period from CY 2004 - CY 2009, the national average pro-ration relative to the pre-QHWRA benchmark is approx. 90 percent. In other words, Public Housing Agencies (PHAs) of all types-city, county, multi-county and state-that administer the HCV program received ten percent less on average each year from CY 2004 - CY 2009 than they were otherwise eligible to earn for each household assisted under the program at pre-QHWRA fee rates. NAHRO's study which is represented by bar chart at [www.nahro.org/members/news/2009/adminfee\\_chart.pdf](http://www.nahro.org/members/news/2009/adminfee_chart.pdf), provides a visual representation of the direct relationship PHAs' sustained ongoing administrative fee funding shortfalls over the last six years have had on their ability to serve authorized families. Additional information regarding NAHRO's March 16, 2009 ongoing administrative fee study, as well as its data sources and methods, are available at [www.nahro.org/members/news/2009/adminfee\\_study.cfm](http://www.nahro.org/members/news/2009/adminfee_study.cfm).

When provided to members of Congress, NAHRO's administrative study and survey can assist PHAs and other interested stakeholders in their education and advocacy efforts to secure needed HCV administrative fees to help restore much needed services to low-income families and participating property owners.

### **CBPP: 400 PHAs Need \$130 M to Restore Voucher Programs**

The Center on Budget and Policy Priorities (CBPP) released a paper demonstrating that, as a result of a shortfall in funding for the Housing Choice Voucher Program for calendar year 2009, an estimated 400 state and local PHAs across the country will need an additional \$130 million in funding or be forced to reduce or eliminate rental assistance for a significant number of the 500,000 low-income families they serve.

CBPP's paper, titled "Funding Shortfalls Causing Cuts in Housing Vouchers Tens of Thousands of Low-Income Families Facing Higher Rents, Loss of Assistance This Year" (released on Sept. 14, 2009), cites a number of reasons that most PHAs are experiencing voucher funding shortfalls in 2009, including: 1) funding provided to renew vouchers for calendar year 2009 was several hundred million dollars less than the amount for which agencies were eligible based on their voucher usage and costs during 2008; and 2) declines in tenant incomes with the average cost of a voucher increasing by more than 5 percent than in the first quarter of 2009 compared with the previous 12 months.

In describing HUD's financial efforts to date, CBPP's paper states, "To its credit, HUD has distributed the available funds judiciously, diminishing the risk that a large number of low-income families will be terminated from the program. Yet hundreds of housing agencies are reducing assistance, most often through a combination of the other strategies...as well as other measures that typically yield less significant cost savings...If these agencies receive no supplemental funding, they will be compelled to cut costs in ways that harm the low-income families they serve — indeed, most have already begun to do so." Such cost-cutting measures include reducing the number of low-income families they assist by not reissuing vouchers to



families on the waiting list when other families leave the program; raising rents on voucher families; reducing rents paid to property owners; and terminating vouchers.

If enacted, an amendment to the Senate version of the FY 2010 THUD Appropriations bill would permit up to \$200 million in additional renewal funding for vouchers that Congress approved as part of the FY 2009 appropriations law to become available on Oct. 1, 2009 to assist PHAs facing terminating housing assistance to existing leased families. As currently constituted, the Senate's legislative language does not provide authorization to HUD to remedy funding for PHAs that had to take the above measures short of facing termination of housing assistance. NAHRO supports the provision of funding to PHAs that face terminating housing assistance to existing families. Additionally, NAHRO supports the provision of funding to PHAs that had to take cost reduction measures due to funding shortfalls in 2009.

In describing the impact of PHAs' voucher funding shortfalls and cost reduction measures, CBPP's paper states, "While landlords may absorb some of the cuts through reduced rents, the burden will fall primarily on low-income families, often in the form of sharply increased rental costs. Most of these housing agencies are also reducing the number of low-income families they serve, despite rising need as a result of increasing unemployment and poverty. By the end of this year, it is likely that through program attrition alone, about 15,000 fewer low-income families will be receiving assistance from these agencies than in May." A full copy of the paper is available at [www.cbpp.org/files/9-14-09hous.pdf](http://www.cbpp.org/files/9-14-09hous.pdf).

### **\* Draft Subsidy Layer Review Notice Issued**

HUD is seeking comment from all PHAs, CD agencies and interested persons on a draft notice ([www.hud.gov/offices/pih/programs/hcv/pubs/slrdraftnotice.doc](http://www.hud.gov/offices/pih/programs/hcv/pubs/slrdraftnotice.doc)), which provides Administrative Guidelines that qualified Housing Credit Agencies (HCA) must follow in implementing subsidy layering reviews in accordance with the requirements of Section 2835(a)(1)(M)(i) of the Housing and Economic Recovery Act of 2008 (HERA). In addition, HUD posted "Appendix E - Subsidy Layering Analysis Form" for review and comment at [www.hud.gov/offices/pih/programs/hcv/pubs/apxeslr.xls](http://www.hud.gov/offices/pih/programs/hcv/pubs/apxeslr.xls).

HUD is particularly interested in receiving comments on the following issues: 1) The basis for the minimum LIHTC price, and whether HUD should set a minimum standard or whether the amount should be controlled by the market; 2) Whether a maximum debt coverage ratio (DCR) threshold should be established, and if so, identifying a reasonable DCR threshold amount; and 3) Whether there are State or Local agencies other than HCAs that may legally perform subsidy layering reviews.

PHAs and CD agencies are asked to explain in detail the basis for all of their comments. All comments must be submitted electronically to [hcvslrcomments@hud.gov](mailto:hcvslrcomments@hud.gov) by Sept. 28. For background purposes, HUD also

## Lancaster takes back its city with crime suppression

*This story appeared in the Antelope Valley Press  
Saturday, October 3, 2009.*

**By DAISY RATZLAFF**  
**Valley Press Staff Writer**

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LANCASTER - "Lancaster has taken back their community" - that was message sent out Thursday evening by the city and the Los Angeles County Sheriff's Department as they joined roughly 100 residents to celebrate the end of a successful three-month-long crime suppression operation.

Part of the Antelope Valley Crime Fighting Initiative, the operation targeted crime and gangs in the area surrounding Lincoln Elementary School on the east side to help create a safer and better neighborhood.

After members of the Sheriff's Department High Impact Team gathered information from residents about crime and other quality of life issues in the targeted neighborhood at the beginning of July, they spent the last 90 days "(turning) the initial concerns into safety plans and then addressed those issues," said Lt. Bob Jonsen, who heads the initiative.

The efforts implemented by the department included increased patrols, undercover operations and compliance checks for parole/probation, Section 8 and code enforcement, authorities said.

"Tonight is a historic night," Jonsen said during the public meeting at Lincoln. "Lancaster is on pace to have the lowest crime rate in nearly a decade. Part I (serious) crimes have already reduced 22%. Gang-related shootings have decreased 64%. To date, we only had three gang-related homicides, compared to 13 last year. It is quite an accomplishment, and it really shows that we have changed the mind-set of this community with your participation. We couldn't have done this without you."

Jonsen said the past 90 days have resulted in 468 arrests, 160 probation/parole searches and 12 search warrants, which were issued and executed throughout the targeted area.

"Four hundred and sixty-eight arrests - that's a lot of bad guys that went to jail," Jonsen said, earning loud applause from attendees. "The deputies have done a tremendous job to address the issues of concern. But one of the greatest things for me is that the mentality changed. It is not a gang community. You have shown these guys that you have taken it back. It is your community."

Jonsen said three of the major concerns three months ago for residents were gang violence, theft and vandalism. He said all dropped significantly along with robberies, which saw a 8% decrease and burglary, with a 12% decrease in the targeted area.

"I am proud to say that you are truly living in a safer community," Jonsen said.

Lancaster City Manager Mark Bozigian agreed, adding that the close working relationship among deputies, city officials and residents has made a big difference.

"It shows that partnerships work," Bozigian said. "And the community is the most important partnership of all. You are taking (the neighborhood) back."

By a show of hands, dozens of residents agreed that an improvement in safety has occurred. Others said some issues still need to be addressed, such as speeding and sales of illegal substances in the neighborhood.

"I feel safer when it comes to the people around me, but there are still narcotics issues that need addressing," said attendee Sue Balitas, who listened attentively as city and Sheriff's Department officials made their presentations and answered questions.

Besides highlighting achievement and improvements, representatives from various city organizations, such as the Public Safety department, the Los Angeles County Housing Authority and the Neighborhood Watch program, were present to answer questions and provide information on volunteer opportunities and other topics.

"I thank all of you so much for coming out here. It shows me that there is a whole lot of people that care. It shows me that this is an active and involved community," said Capt. Axel Anderson, commander of the Lancaster Sheriff's Station, who along with the station's Community Oriented Policing Team and the HIT team attended the meeting.

In an open question-and-answer session, many residents provided feedback on how the neighborhood had improved and others asked opinions regarding loud music, parolee transfers, narcotics violations, budget concerns, burglary safety and nuisance issues regarding barking dogs.

While ecstatic about the continuous drop in crime numbers, Jonsen and city officials agreed work still must be done and encouraged residents to help and work with law enforcement to rid the community of any crime.

"The deputies, they need your eyes and your ears. You cannot be afraid; let your neighborhood know you are out there," councilwoman Sherry Marquez said.

dratzlaff@avpress.com

## Housing Affairs Letter Stories posted week of 10/3/09 - 10/9/09

### **Story of the Week**

#### **Mini-Public Housing Summit**

In an attempt by the Obama administration to determine how to preserve remaining public housing units and cope with the increasing need for public and assisted housing, HUD officials meet at HUD headquarters in a low-profile effort to garner information from public housing industry and other housing advocates.

More than 100 people packed a meeting room in HUD's cafetorium to exchange ideas. It gave those attending an opportunity to determine the personas of the new administration officials, particularly the unique working environment between Henriquez, who was confirmed for her position, and Barbara Sard, installed by the White House as a special advisor on rental assistance. Thus, Sard is superior to Henriquez for policy decisions without having to face Senate vetting.

While conclusions on the czar arrangement have yet to be formed (HUD sources tell *HAL* the special czar lineup installed by the White House has created internal dissention), the two housing officials managed to impart the core administration principles regarding public housing – preservation of remaining housing units while focusing new efforts on growth of the Sec. 8 housing voucher program.

"It is worth reiterating that the department recognizes the essential value of the 'public' in public housing," Henriquez says in a thank you message to those in attendance. "No matter the final shape our preservation initiative may take, it will have at its core a commitment to setting the stage for long-term viability of deeply affordable rental housing owned by public entities."

Industry advocates, tenant-rights representatives, public- and low-income housing advocates, Office of Management & Budget officials and congressional staffers joined Secy. Shaun Donovan, Sard, Henriquez, and HUD senior administration executives to discuss operational sustainability of properties and owners; how to address properties' present and continuing capital and replacement needs; resident rights and protections; pros and cons of public and private ownership; the roles of various properties serving rural areas; the elderly and large families; and the appropriate role of HUD in regulating properties by a project-based contract for HUD-funded rental assistance.

10/09/2009 12:35 PM



#### **Affordable Housing**

### **(IMMIGRANT HOUSING) Improved Housing For Illegals**

Illegal aliens and immigrants accused of crimes likely will be housed in converted hotels or private homes or be required to wear an electronic ankle monitor if the Dept. of Homeland Security (DHS) gives a green light to the concept. The agency was forced to change its incarceration methods after prison condition advocates complained of unsafe and inhumane conditions for many of the 32,000 illegals detained on any given day. DHS plans to build two new detention centers for illegals as well.

Homeland Security Secy. Janet Napolitano says not all detainees need to be housed in prisons, especially those who are nonviolent. She says asylum seekers with no criminal record should be housed at facilities "commensurate with the risks that they present."

Some of the changes already are underway. DHA is reviewing its contracts with more than 350 local jails, state prisons and private lockups in an effort to make the system more accountable to the department.

Napolitano is preparing a report to Congress on alternatives to detention. Data show detention alternatives cost as little as \$14 a day while detention can cost more than \$100. The Immigration & Customs Enforcement (ICE) agency has a nearly \$2.5 billion annual budget for detention and deportation.

10/09/2009 12:39 PM

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### **(RENTALS) Apartment Glut Increases**

Fueled by unemployment, the U.S. apartment vacancy rate reaches a 23-year high of 7.8% during the summer and likely will climb even higher this fall and winter when rental demand is traditionally weaker, says Reis Inc. real estate analysts.

Apartment vacancies in the third quarter increased in 42 markets that Reis tracks. Vacancies were lower in 26 markets and they remain the same in 11 others.

With the job market closely linked with rentals and the nation's present unemployment rate at 9.8%, more would-be apartment renters are moving back with parents or in with friends and roommates until the economic dust settles.

10/09/2009 11:50 AM

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#### **Assisted Housing**

### **(SEC.8) NAHRO Presses For More Sec. 8**

(CD Publications) Officials at the Nat'l Assn. of Housing & Redevelopment Officials (NAHRO) ask congressional leadership to change the FY 2010 budget

bill in order to ensure that voucher funding not run dry for families participating in the Sec. 8 tenant-based voucher program.

A letter from NAHRO Executive Director Saul Ramirez to the chairmen and ranking members of the House and Senate appropriations committees provide Congress with the powerful group's opinions on various budget items. More than two pages of the 6½-page letter deal solely with the Sec. 8 tenant-based program.

The housing assistance payments (HAP) that fuel the program are expected to receive anywhere between the \$16.18 billion in both bills, about \$800 million less than what NAHRO argues is necessary for renewal funding. The increase above the \$15.03 billion in 2009 was necessary, but probably did not cover reduced household income, conversion of the Disaster Voucher and Disaster Housing Assistance Program and first-time renewal of tenant-protection vouchers.

But NAHRO believes existing problems with present voucher funding in 2009 also must be corrected. It says too many families are likely paying well in excess of 40% of their income in rent, relative to local rental market values, landlords are getting less rent, and those families looking to renew can no longer afford to live in some areas.

NAHRO says housing agencies nationwide have had to spend all or most of their HAP reserves to battle the dropping household incomes. NAHRO supports a provision in the HUD budget bill passed by the Senate that would make up to \$200 million in previously appropriated money available for payment to housing agencies in order to prevent termination of assistance, the letter says. Public housing agencies might also use this money to prevent terminations, reverse the reduction in payment standards that have caused increased rents for those using vouchers and prevent or reduce the reduction of low-income families served through attrition.

Also, NAHRO says it might be time to use the \$150 million in set-aside funding placed in the 2009 omnibus budget bill for the tenant-based program, a fund that also is included in both the House and Senate bills. Eligible uses might include adjusting allocations for PHAs requiring additional amounts in HAPs due to reasons other than leasing beyond the authorized numbers of vouchers. Priority might be given to those programs in which higher numbers of participants pay 40% of their adjusted income for rent, for example.

And NAHRO also is asking HUD to change the voucher calculation method to avoid another voucher funding crisis next year. This would base PHA calculations on the entirety of FY 2009 and to use Voucher Management System data to determine voucher costs and lease rates for an agency in most instances.

**Info:** NAHRO, John Bohm, 202/289-3500

10/09/2009 12 PM

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<b>Eminent Domain</b>
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**(BALLOT ISSUE) Eminent Domain On Texas Ballot**

After two years of legislative wrangling failed to give Texas a new eminent domain law, the state's voters have the opportunity next month to settle the issue. Several versions of bills intended to alter the effects of the 2005 U.S. Supreme Court's decision in *Kelo v. City of New London* met with defeat. The decision allows communities to seize private land for the benefit of private profit if it would boost the local economy and provide jobs.

Finally, in a move to resolve the impasse, lawmakers decided to toss the decision to voters in a resolution known as HRJ14/SJR 42 approved in the waning days of the 81<sup>st</sup> Texas Legislature.

Proposition 11 on the ballot would bar the taking of property for transfer to a private entity for certain purposes.

10/09/2009 12:12 PM

### **Fair Housing**

#### **(SENIORS BIAS) St. Louis Tackles Senior Bias**

A St. Louis, MO fair housing organization claims widespread discrimination against seniors by senior housing providers in the city's metropolitan area. A two-year study by the Metropolitan St. Louis Equal Housing Opportunity Council examines the advertising practices of 64 senior housing providers operating 168 senior communities in the area reinforces the findings.

The study, *Selective Marketing: A Report on Senior Housing Providers' Compliance with the Fair Housing Act Advertising Requirements*, contends that advertising portrays only white residents in marketing materials while blacks are portrayed as staffers pushing wheelchairs, opening doors or cooking.

Other advertising campaigns used words or phrases that could be construed as a preference for Christian or for residents without disabilities, the study says.

Such advertising, the council claims, sends a message to minorities that they may be unwelcome or may be treated as inferior compared with white applicants.

The study identifies seven housing providers that only use white models in their marketing materials. Another 13 providers failed to portray any blacks. Twenty campaigns depicted only white residents.

As a result of the study, the council files complaints with HUD against 14 senior housing providers.

The 107-page document shows the council examined advertisements from several area publications accepting advertising for a variety of senior living providers, including independent living communities, assisted living facilities, residential care facilities, skilled nursing facilities and continuing care retirement communities. Providers included national chains, family-owned businesses, nonprofit and for-profit institutions, and communities operated by religious organizations.

10/09/2009 12:28 PM

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## **Public Housing**

### **(COUNSELING) Stimulus Money For Housing Counseling**

Nonprofit Urban Strategies is awarded a \$1 million grant from the Health & Human Services Dept. to provide counseling to displaced public housing tenants in New Orleans. The grant is part of the \$46 million provided by the American Recovery & Reinvestment Act through the Strengthening Communities Fund to help build safe neighborhoods.

Urban Strategies will assist former residents of the C.J. Peete public housing project. The complex was demolished after it was damaged in the devastation wrought by Hurricane Katrina in 2005.

Former tenants will receive counseling on achieving self-sufficiency before the return to the city to live in the project's successor, Harmony Oaks, a mixed-income community of 460 rental units and 50 homeownership units.

The first wave of families returning to the city will move in at the end of the year. The redevelopment is expected to be completed by the end of 2010 and include a K-4 charter school, health suite and recreation facility.

10/09/2009 12:08 PM

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## **Senior Housing**

### **(REVERSE MORTGAGES) Reverse Mortgages Squeeze Seniors**

Elderly homeowners taking advantage of reverse mortgages, officially dubbed Home Equity Conversion Mortgages (HECMs), are feeling a financial squeeze under a change in the law authorized in the Housing & Economic Recovery Act of 2008.

Lawmakers allowed the HECM program to be reclassified from the General Insurance Fund (GIF) to the Mutual Mortgage Insurance Fund (MMIF). The shift was buried in the Federal Housing Admin. (FHA) modernization portion of the HERA legislation and its ramifications went unnoticed until well after approval.

HECM mortgages had been insured in the GIF, a revolving fund operated by the Treasury Dept. and financed by Congress to carry out all insurance coverage not otherwise specified, such as those in the MMIF. That fund is housed in the FHA and supported by insurance premiums on FHA-insured mortgages.

When Congress engineered the shift, lawmakers failed to follow up with a subsidy to MMIF. With the deluge of defaults on FHA-insured mortgages, the MMIF is in a financial squeeze and unable to meet HECM needs. Congress failed to anticipate the need in the legislative shift and, subsequently, there is not enough money to fully pay the HECM annuities.

Consequently, FHA Commissioner David Stevens, facing a \$798 million budget deficit in FY 2010, notified HECM lenders that the agency must cut the maximum

amounts seniors can receive in their annuities by 10% beginning Oct. 1. Borrowers already holding HCM loans are not affected.

Unless Congress steps in and refines the law, the cut could be permanent. The law requires HUD to report to Congress the expected overall results from the HECMs projected to be endorsed in the coming spending year. Congress must either approve the entire subsidy or the program must be modified to absorb the difference between a projected loss and the amount of any subsidy Congress grants.

Considering HUD has been assigned more than \$1 billion in reverse mortgage loans under the shift, growth in HECMs is expected to heavily weigh on the MMIF. There now are more than 2,700 firms selling reverse mortgage with 1,500 firms signing up last year to make their first loans. An estimate 10,000 people turn age 62 every day, adding to the potential burden. HECM originations total about 110,000 annually and are worth about \$17 billion. FHA is the only HECM insurer.

Experts anticipate many seniors, an estimated one in five, could be prevented from paying off their existing home mortgages with a new HECM under the new policy. The prospect of a new wave of delinquencies and foreclosures among seniors who no longer can afford their existing mortgage because of a precipitous drop in property values has lawmakers scrambling for a solution.

10/09/2009 12:16 PM

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## Section 8 recipient held, charged

*This story appeared in the Antelope Valley Press  
Tuesday, October 6, 2009.*

**By DAISY RATZLAFF**  
**Valley Press Staff Writer**

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**PALMDALE** - A Section 8 rental aid recipient was arrested Monday after deputies said she failed to disclose that she lived with her husband, who has his own auto detailing and carpet cleaning business, sheriff's officials said.

Sherry Lee allegedly let her husband, the father of her three children, live in her west Palmdale home without informing Los Angeles County Housing Authority officials, deputies said.

"No husband was verified or authorized to live there," said Sgt. Kyle Bistline of the Palmdale Partners Against Crime team. "In fact, after finding evidence of her husband's business inside the garage, his clothes and a wedding picture of them inside the home, she claimed she never got married. When deputies pointed at the picture of him, she claimed she doesn't know where he lives."

The investigation was part of an ongoing effort by Palmdale Partners Against Crime deputies and Los Angeles County Housing Authority investigators to identify people who committed fraud to obtain aid through the federal Section 8 rental subsidy program or who are breaking Section 8 rules by taking in unauthorized tenants, selling drugs or other violations.

Lee, 33, was arrested on suspicion of perjury, a felony, by PAC deputies Jim Phillips and Dan Dantice at her Lancaster workplace, which deputies did not disclose. She was jailed in lieu of \$90,000 bail.

Lee had been receiving Section 8 aid since October 2007, investigators said. Officials said they discovered evidence that indicated the husband lived in the home in the 39900 block of Verona Lane after code enforcement officers and Housing Authority officials encountered him there during a routine check.

Investigators put the house under surveillance and obtained a search warrant that was served on Aug. 6, deputies said.

During the search, deputies found business equipment inside the garage, business cards and paperwork belonging to the husband, clothes and hygiene items.

A \$5,000 jail bail receipt paid by Lee and displaying her husband's name was also found among paperwork in the home, authorities said.

Four vehicles, paid in full, are registered in Lee's name, deputies said. "She claimed they were all gifts, and she said there is no law against receiving gifts," Bistline said.

Deputies also said Lee doesn't have a driver's license.



Deputy Paul Murphy said Lee is accused of fraudulently obtaining more than \$17,000 in aid.

"She can't afford to pay her rent, but she has four newer vehicles that are registered in her name and paid in full," Murphy said.

Deputies said of her \$1,501 monthly rent, Lee pays \$121 and the government pays the rest.

Section 8 is a federally funded housing assistance program that allows renters to pay 30% of their income toward housing, with a government voucher covering the rest. The program is administered by the Housing Authority of Los Angeles County.

dratzlaff@avpress.com

## **Housing Affairs Letter Stories posted week of 10/10/09 - 10/16/09**

### **Story of the Week**

#### **PHAs Slammed Over Jobs Program**

In a no-holds-barred move by HUD Asst. Secy. for Fair Housing & Equal Opportunity John Trasviña, the department orders public housing authorities (PHAs) to submit their Sec. 3 documents or face sanctions and possible cutoff of federal subsidies.

Sec. 3 requires PHAs, state and local governments receiving federal subsidies to increase hiring of low-income people and public housing tenants and ensure that hired contractors comply as well. Contractors are required to make their best effort to fill 30% of their new vacancies with low-income residents living in or near the community where work is being performed.

In a letter to about 3,000 PHAs which have not submitted their HUD Form-60002, Trasviña and Asst. Secy. for Public & Indian Housing Sandra Henriquez warn: "Recipients that fail to comply with the requirements of Sec. 3 may result in sanctions, including: debarment, suspension, or limited denial of participation in HUD programs."

HUD says the letter is the first in a series of steps to aggressively enforce Sec. 3 hiring and contracting requirements and "to assist state and local governments and PHAs to identify, train, and promote job opportunities for low-income people and companies employing them."

PHAs, state and local governments have until Nov. 30 to submit the required reports. Covered programs include subsidies for PHA operations, capital and modernization; HOPE VI; Community Development Block Grants; HOME Investment Partnerships; disaster recovery assistance; Housing Opportunities for Persons with AIDS, and some Recovery Act funding.

Trasviña pulls no punches in his declarations that HUD will levy sanctions if the quantity and quality of reporting doesn't improve. The move follows a hearing staged by Rep. Nydia Velazquez (D-NY) on the issue. Velazquez is circulating a draft legislative proposal, tentatively dubbed the "Earnings & Living Opportunities Act," that would create a Sec. 3 enforcement office directly under HUD Secy. Shaun Donovan, as well as increase compliance standards and reporting requirements and apply harsher sanctions.

HUD is getting support from the Nat'l Black Chamber of Commerce, which has been monitoring minority contracts at public housing construction sites. The chamber says lawsuits are being prepared accusing contractors of Sec. 3 violations.

The Sec. 3 move by HUD is riling unions, which are the backbone of support for the Obama administration. Union leaders complain that Sec. 3 requirements force contractors to hire unskilled laborers.

10/16/2009 12:50 PM



## **Assisted Housing**

### **(EVICTIONS) Court Bars Tenant Evictions**

An injunction against a Los Angeles landlord wanting to evict 22 Sec. 8 tenants in order to raise the rent levels on the units has been upheld by the Ninth U.S. District Court of Appeals.

The decision concludes that a HUD regulation permitting evictions of tenants for "good cause" -- which includes a landlord's wish to raise rents to fair market level -- doesn't preempt a Los Angeles eviction control ordinance. The court affirmed an award of attorney fees in favor of the tenants.

The landlord served the tenants an eviction notice in March 2006, informing them of the intent to end association with the Sec. 8 housing voucher program and convert the units to fair-market rent.

Expiration of a rental lease or a desire to raise rents to market levels with new tenants are not grounds for eviction under the Los Angeles Rent Stabilization Ordinance. The law restricts eviction to 13 reasons, including criminal activity, violation of lease terms, or damage to property.

A U.S. District Court judge ruled that the local ordinance and the HUD regulation were in actual conflict. The ruling said that HUD's definition of "good cause," where it includes the desire to raise rent, exceeded the department's statutory authority. The appeals court agreed in *Barrientos v. 1801-1825 Morton LLC*, 07-56697.

10/16/2009 12:32 PM

### **(SEC. 8) Sec. 8 Voucher Reform Next Year**

Time is running out for reform of the Sec. 8 housing voucher program this year. While the House may take up the issue on the floor later this month or in November, the Senate has yet to develop any legislation.

The proposal, Section 8 Voucher Reform Act (SEVRA), moved from the House Financial Services Committee on July 9 and has been dormant since.

HR 3045 would provide a more stable distribution formula for voucher renewal funding, allow voucher holders to move to other jurisdictions holding the same voucher, and simplify rent setting. It would extend the Moving to Work demonstration program as well.

**Info:** [www.cdpublications.com/docs/6901](http://www.cdpublications.com/docs/6901)

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## **(DRYWALL) Bailout For Chinese Drywall Victims**

More than 100,000 homeowners whose houses are tainted with Chinese drywall soon may get federal aid to replace the walls. The federal aid would bailout builders as well.

HUD Secy. Shaun Donovan, who toured one of the affected communities in Boynton Beach, FL, says the aid could include loan modification and federal money for repairs. Florida has been hardest hit by the defective drywall, with 36,000 homes experiencing corrosion of copper pipes, wiring, appliances and metal.

Health officials are trying to determine whether the drywall is responsible for a variety of illnesses, including nosebleeds and respiratory problems.

Most builders have refused to fix the homes, and lenders and property insurers have adopted a hands-off approach. HUD will attempt to persuade lenders to write off principal loan balances and interest payments for affected homeowners.

The problem is having a financial ripple effect. Officials in the Fort Lauderdale/Broward County area are mulling cutting property values by 50% for affected houses.

10/16/2009 12:39 PM

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### **Homelessness**

## **(HOUSING) Housing For Homeless Saves Money**

A four-year study by United Way finds that permanent housing for the homeless could save taxpayers \$20,000 a year on each formerly homeless person.

The study of four homeless people while they lived on the streets and later as they found housing concludes that the savings occur when public services no longer are tapped.

With an estimated 73,000 homeless people last year, the study finds that permanent housing considerably reduces emergency room visits, stints in rehabilitation facilities and jailings.

**Info:** [www.cdpublications.com/docs/6900](http://www.cdpublications.com/docs/6900)

10/16/2009 12:30 PM

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## **(SHELTERS) Homelessness Soars In New York City**

A New York Dept. of Homelessness census shows homelessness in the city has reached levels unseen since the depression in the 1930s. A check by the Coalition for the Homeless reinforces the finding, showing that more than 39,000 people, including 10,000 families, check into the city's shelters every evening.

The 10,000 homeless families include 16,500 children, a 12% increase from

2008. The coalition asks the Bloomberg (Mayor Michael Bloomberg (I)) administration to give priority to the homeless for federal housing programs and to expand the number of shelter beds.

City officials claim the shelter system costs \$36,000 a year per family. Officials maintain they are fighting the problem successfully, including purchasing one-way plane tickets for homeless families to other cities if they sign an agreement they won't return.

10/16/2009 12:28 PM

Tuesday, October 13, 2009

Page 3

## **Court Upholds Injunction Barring Eviction of Section 8 Tenants**

By a MetNews Staff Writer

The Ninth U.S. Circuit Court of Appeals has upheld an injunction preventing a landlord from evicting 22 low-income tenants of a local apartment complex in order to raise the rent on their units.

In a decision Friday, the panel concluded that a U.S. Department of Housing and Urban Development regulation permitting evictions of tenants for “good cause”—which includes a landlord’s desire to raise rents to market level—did not preempt a Los Angeles eviction control ordinance and affirmed an award of attorney fees in favor of the tenants.

The tenants, residents of the Morton Gardens apartment complex, were all recipients of rental assistance from the federal government through what is known as “the section 8 program,” created by the United States Housing Act.

Section 8 participants must sign a lease and pay a portion of their income toward rent, but the remainder of the rent charge is paid by a public housing authority pursuant to a housing assistance payment contract between that agency and the landlord.

In March 2006 the landlord served the tenants with a notice informing them of the apartment complex’s intention to “remove the Subject Premises from the Federally Assisted Section 8 Housing Program” and to rent its units at “market rents.”

### **Complaints Received**

After receiving complaints from the tenants, the Housing Authority for the City of Los Angeles and Los Angeles Housing Department informed Morton LLP that its housing assistance payment contract could only be terminated without the tenants’ consent upon lawful eviction under state and local law.

The Los Angeles Rent Stabilization Ordinance restricts possible grounds for eviction to 13 enumerated reasons, including violation of material terms of the lease, damage to property or criminal activity.

Expiration of the lease term or the desire to raise rent to market levels with a new tenant are not permissible grounds for eviction under the ordinance, which specifically applies to rental units for which rental assistance is paid pursuant to the section 8 program.

Morton later issued eviction notices based on 24 C.F.R. § 982.310(d)(1)(iv), which allows a landlord to terminate a rental agreement for “good cause” which “may include, but is not limited to...[a] business or economic reason...such as sale

of the property, renovation of the unit, or desire to lease the unit at a higher rental.”

The tenants then filed suit in the U.S. District Court for the Central District of California seeking a declaratory judgment that their eviction violated federal law and the local ordinance, as well as a permanent injunction barring their unlawful eviction.

### **‘Good Cause’**

Chief District Judge Audrey B. Collins found that the local ordinance and the HUD regulation were in actual conflict, but that HUD’s definition of “good cause,” insofar as it includes the desire to raise the rent, exceeded HUD’s statutory authority.

She granted summary judgment in favor of the tenants, entered a permanent injunction barring Morton from evicting the tenants, denied Morton’s motion for reconsideration and awarded the tenants attorney’s fees.

Writing for the appellate court, Judge Kim McLane Wardlaw said Collins had reached the proper result, but the panel affirmed the judgment on different grounds.

Wardlaw explained that the local eviction control ordinance was not preempted by the HUD regulation because the laws were not in conflict and that the local law prevented the landlord from evicting the tenants in order to increase rents.

She reasoned that the HUD regulation “does not grant a right to terminate a tenancy based on a desire to increase rents” which the local ordinance could purport to take away, but “merely create[ed] a floor of protection, which local laws may enhance.”

### **Conflict Preemption**

The jurist also noted that conflict preemption arguments against the municipal ordinance had failed in two prior federal cases—*Topa Equities, Ltd. v. City of L.A.*, (2003) 342 F.3d 1065 and *Independence Park Apartments v. United States*, (2006) 449 F.3d 1235—and that HUD’s most recent publication acknowledged that terminating a tenancy for a business or economic reason such as a desire to lease the unit at a higher rental would not constitute “good cause” if state or local law would prohibit such conduct.

Wardlaw further concluded that the tenants were entitled to recover \$180,000 in attorney fees pursuant to a fee provision in their lease agreements.

“Tenants’ lease contracts are not collateral to the litigation because they incorporate and define the rights and obligations of Tenants and Morton, the applicability of relevant federal and state law, and the role of federal and state actors,” she said. “Thus, Tenants’ action for a declaratory judgment regarding their right to remain in their apartments is properly considered an action ‘on a contract.’”

Judges Diarmuid F. O’Scainnlain and Pamela Ann Rymer joined Wardlaw in her decision.

Michael E. Soloff of Munger, Tolles & Olson LLP, together with A. Christian Abasto from the Legal Aid Foundation of Los Angeles and James R. Grow from

the National Housing Law Project represented the tenants while Chris J. Evans of Kimball, Tirey & St. John LLP represented Morton.

The case is *Barrientos v. 1801-1825 Morton LLC*, 07-56697

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**latimes.com**

## Schwarzenegger signs seven mortgage laws

**The approved bills provide a variety of home loan protections for consumers, including a ban on so-called negative-amortization loans.**

By Marc Lifsher

October 13, 2009

Reporting from Sacramento

In a flurry of end-of-session bill signings, Gov. Arnold Schwarzenegger approved seven new laws that provide a range of consumer protections to home-mortgage holders and may allow some to hold on to their houses.

Late Sunday night, the governor signed AB 260 by Assemblyman Ted Lieu (D-Torrance). The measure, which takes effect Jan. 1, tightens restrictions on mortgage brokers so they cannot steer borrowers to riskier, higher-interest loans when they qualify for less-expensive ones.

The new law also bans so-called negative-amortization loans, which offer the option of monthly payments so low that the loan amounts can actually grow over time.

The law also limits prepayment penalties to no more than 2% of the loan balance and allows state regulators to enforce federal lending laws.

The governor vetoed similar legislation last year at the urging of some groups in the mortgage and real estate industries.

The California Assn. of Mortgage Brokers, the California Mortgage Assn. and the California Assn. of Realtors unsuccessfully opposed this year's version of the bill.

Lieu, the bill's author, successfully argued that his proposal was needed more than ever to help California homeowners avoid foreclosure.

Lieu noted that, according to RealtyTrac, a real estate data service, 92,326 homeowners were hit with foreclosure notices during August.

"Look out Wall Street, California is no longer the Wild West," Lieu said in a statement Monday. "Although it took two years, I am pleased to have been able to overcome the powerful interests blocking reform so that future generations won't ever experience this type of crisis."



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I Cut Down 47 lbs of Stomach Fat In A Month By Obeying This 1 Old Rule  
[More](#)

Other mortgage-related bills signed by the governor:

\* SB 36, by Sen. Ron Calderon (D-Montebello), sets licensing requirements for all residential loan originators.

\* SB 239, by Sen. Fran Pavley (D-Agoura Hills), makes it a felony to commit fraud on a mortgage loan application.

\* AB 329, by Assemblyman Mike Feuer (D-Los Angeles), requires lenders to give more and clearer information to those interested in reverse mortgages, which let seniors borrow against their homes' equity.

\* SB 237, by Calderon, creates a registration program for appraisal management firms.

\* AB 957, by Assemblywoman Cathleen Galgiani (D-Stockton), allows buyers of foreclosed homes to choose local escrow officers, rather than being forced to use the escrow company chosen by the seller.

\* AB 1160, by Assemblyman Paul Fong (D-Cupertino), requires that mortgage loan documents be written in the same language the verbal negotiations were conducted in.

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**For Your Information**

## Former Hawthorne councilman Chuck Bookhammer dies

By Sandy Mazza Staff Writer

Posted: 10/16/2009 07:56:34 PM PDT



Chuck Bookhammer was a longtime Hawthorne city councilman.

Charles "Chuck" Bookhammer, a former longtime Hawthorne city councilman and aide to a county supervisor, has died. He was 61.

Bookhammer died at about 9 p.m. Thursday during surgery, according to friend and former co-worker John Hill.

"Chuck was always a guy that it took a lot to agitate him. He was always a gentleman. He was a stand-up guy."

Bookhammer is survived by his wife, Barbara, and four daughters.

[sandy.mazza@dailybreeze.com](mailto:sandy.mazza@dailybreeze.com)

Bookhammer's family members could not be reached Friday. Hill did not disclose the cause of Bookhammer's death or why he was hospitalized.

Hawthorne Mayor Larry Guidi, who has known Bookhammer for years, said he suffered an aneurysm after going to the hospital for hernia surgery.

"Chuck was probably the greatest guy that I knew," Hill said. "We became best friends in the 10 years that we worked together. At work, he was probably one of the best persons in the political field that could deal with all types of situations and all problems."

Bookhammer worked as owner of his family business, Bookhammer Insurance Agency in Lawndale, when he was first elected to the Hawthorne City Council in 1983. He stayed on the council for 10 years, until making a failed bid for mayor in 1993. However, he was re-elected to the council in 1995 and served until he retired in 1999.

In 1988, Bookhammer was the Republican nominee for state Assembly in the 53rd District.

He began working as an aide to county Supervisor Yvonne Brathwaite Burke in 1992, and stayed in that position until Burke left office last year.

He had recently retired, Guidi said.

"Chuck worked hard all his life. This was supposed to be his golden time," Guidi said.

**latimes.com**

*FOR YOUR INFORMATION ONLY*

**OBITUARY**

**Charles Bookhammer dies at 61; longtime Hawthorne councilman**

**He was also a longtime aide to then-Los Angeles County Supervisor Yvonne B. Burke.**

From A Times Staff Writer

October 21, 2009

Charles Bookhammer, a former Hawthorne councilman and longtime aide to retired Los Angeles County Supervisor Yvonne B. Burke, died Thursday at UC Irvine Medical Center. He was 61.

His daughter, Brandi, said he died of complications from surgery for an abdominal aortic aneurysm.

Bookhammer, who ran a family-owned insurance agency in Hawthorne for many years, sat on the Hawthorne City Council for 14 years in two different stints, until 1999.

He also served on Burke's staff for 16 years, beginning as a deputy in 1992 and eventually rising to assistant chief of staff.

Born in Atlanta on May 23, 1948, Bookhammer served in the Navy from 1965 to 1969. After completing his duty, which included three tours in Vietnam, he attended El Camino Community College, graduating in 1977.

He joined the Hawthorne City Council in 1983 after winning a special election to fill the unexpired term of a recalled member and became "a stabilizing voice at a time when the community really needed it," said Tom Quintana, a former public information officer for the city.

Hawthorne City Council member Ginny Lambert said Bookhammer's accomplishments included helping to bring the Moving Wall, a traveling, half-size replica of the Vietnam Veterans Memorial, to Hawthorne, where it was displayed for several days in 1985.

In 1993, Bookhammer ran for mayor but lost to businessman Larry Guidi, who has served several terms as Hawthorne mayor. In 1988, Bookhammer, a Republican, ran a well-financed campaign for the 53rd Assembly District seat but was defeated by incumbent Assemblyman Richard E. Floyd.

After leaving Burke's staff in 2008, he worked for the Los Angeles County Community Development

Commission and was a part-time government consultant to the Los Angeles Board of Realtors.

In addition to his daughter Brandi, Bookhammer is survived by his wife, Barbara; daughters Jen Pliska, Michelle Curtis and Tracy Bookhammer-Rose; a brother, Robert; a sister, Carol Christian; and seven grandchildren.

A memorial service will be held at 11:30 a.m. today at Bell Tower Regional Community Center, 22232 El Paseo, Rancho Santa Margarita.

In lieu of flowers, donations may be sent to the [Disabled American Veterans](#), P.O. Box 14301, Cincinnati, OH 45250.

[news.obits@latimes.com](mailto:news.obits@latimes.com)

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## ELEVATOR PROJECT STATUS-HOUSING AUTHORITY SITES

HOUSING DEVELOPMENT NAME & ADDRESS	NUMBER OF ELEVATORS	MANUFACTURER - TYPE AND NO. OF STOPS	COMPLETED EVALUATION PHASE	CONSTRUCTION DOCUMENTS PHASE	ADVERTISE FOR BID	HC APPROVAL	BOC APPROVAL	CONTRACT AMOUNT	START CONSTRUCTION	FINISH CONSTRUCTION
1. West Knoll Apartments 838 N West Knoll W Hollywood 90069	2	Canton Elevator Hydraulic 5 stops	Yes	New elevators Holeless	Sep-05	Oct-05	Nov-05	\$ 600,711.00	Dec-05	COMPLETED Nov-07
2. Marina Manor I & II 3401 Via Dolce Marina Del Rey, 90292	4	Reliable 2-Hydraulic -4 stops 2 Traction -8 stops	Yes	Modernization	N/A	Mar-08	Apr-08	\$ 1,215,076.00	May-08	COMPLETED Mar-09
3. Southbay Gardens 230 E 130 Street Los Angeles 90061	2	Otis Hydraulic 3 stops	Yes	Modernization	N/A	Mar-08	Apr-08	\$ 415,120.00	May-08	COMPLETED Jan-09
4. Palm Apartments 959 N Palm Ave W Hollywood 90069	2	US Elevator Hydraulic 5 stops	Yes	Modernization	N/A	Mar-08	Apr-08	\$ 582,000.00	May-08	COMPLETED Jan-09
5. Kings Road Apartments 800 N Kings Rd W Hollywood 90069	4	Westinghouse Hydraulic 3 stops	Yes	Modernization	Feb-09	Apr-09	May-09	\$ 791,600.00	May-09	Apr-10
6. Carmelitos Seniors 761 & 817 Via Long Beach 90805	2	Dover Hydraulic 3 stops	Yes	Modernization May-09	Jun-09	Aug-09	Sep-09	\$ 318,945.00	Sep-09	May-10
7. Francisco Villa 14622 Francisco La Puente 91746	2	US Elevator Hydraulic 3 stops	Yes	Modernization	Jul-09	Sep-09	Oct-09	\$ 351,000.00	Oct-09	Aug-10
8. Whittier Manor 11527 Slauson Ave Whittier 90608	2	Reliable Hydraulic 3 stops	Yes	Modernization	Jul-09	Sep-09	Oct-09	\$ 279,820.00	Oct-09	Aug-10
9. Herbert Apartments 133 Herbert Ave Los Angeles 90063	2	Dover Hydraulic 3 stops	Yes	1-New elevator & 1-Modernization	Nov-09	Jan-10	Feb-10	\$ 400,000.00 Estimate	Mar-10	Mar-11
10. Nueva Maravilla Seniors 4949 Cesar E. Chavez Ave. Los Angeles 90022	4	Oliver & Williams Hydraulic 2 stops	Yes	Modernization & Bridges	Nov-09	Jan-10	Feb-10	\$ 800,000.00 Estimate	Mar-10	Mar-11
11. Lomita Manor 24925 Walnut St Lomita 90717	2	Coast Elevator Hydraulic 3 stops	Yes	Modernization & Bridge	Jan-10	Mar-10	Apr-10	\$ 500,000.00 Estimate	Apr-10	Apr-11
12. Foothill Villa 2423 Foothill Blvd La Crescenta, 91214	3	US - Hydraulic 1 = 3 stops 1 = 4 stops 1 = 5 stops	Yes Proposed Modernization	Reviewing Assessment						
13. Orchard Arms 23420 Wiley Canyon Rd. Valencia 91355	4	Oliver & Williams Hydraulic 2 stops	Yes Proposed Modernization	Reviewing Assessment						
14. Lancaster Homes 711 W Jackman St Lancaster 93534	2	Coast Elevator Hydraulic 3 stops	Yes Proposed Modernization	Reviewing Assessment						
TOTAL: 37 elevators										

FUNDING HAS BEEN BUDGETED FOR COMPLETION OF THESE PROJECTS.

**Housing Authority - County of Los Angeles**

**FOR YOUR INFORMATION ONLY**

October 28, 2009

TO: Housing Commissioners

FROM: Margarita Lares, Director  
Assisted Housing Division

RE: **FSS PROGRAM UPDATE – SEPTEMBER 2009**

The Family Self-Sufficiency (FSS) Program is a HUD initiative intended to assist Public Housing residents and Housing Choice Voucher Program participants achieve economic independence and self-sufficiency. Below are the monthly activities for September 2009:

**Activities**

<b>RECRUITMENT</b>	247	Applications received
	26	Applications Sent
	1	Partnership Presentations
<b>ENROLLMENTS</b>	9	New Participants
<b>MEETINGS</b>	1	Southeast Area Social Services Funding Authority Partnership Meeting
<b>WORKSHOPS</b>		
	1	Southeast Area Social Services Funding Authority Partnership Meeting
<b>Money Smart Workshop</b>	7	Disseminated Credit Repair informational Packets
	6	Disseminated budget informational packets
<b>REFERRALS</b>	16	FSS employment network job board
	6	CDC Home Ownership Program (HOP)
	5	Healthcare and Dental care information
	5	Childcare information
	3	Community counseling services
	15	WorkSource Center employment workshops and job fairs
<b>GRADUATIONS</b>	2	FSS graduations

If you have any questions, please feel free to contact me at (562) 347-4837.

ML:dt



## Community Development Commission

FOR YOUR INFORMATION ONLY

September 30, 2009

TO: Each Supervisor

FROM: Sean Rogan, Executive Director



SUBJECT: **UPDATE ON THE PURSUIT AND IMPLEMENTATION OF FUNDING MADE AVAILABLE IN H.R. 1, THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009**

On March 31, 2009, the Board of Supervisors requested that the Community Development Commission/Housing Authority of the County of Los Angeles (CDC/HACoLA) report on the efforts to apply for, or take the necessary steps to accept, each category of funding contained within ARRA that the CDC/HACoLA is eligible to receive, either by formula or by competitive grant application. This memorandum contains the most updated information pursuant to that request. An ARRA fund tracking chart has been added to this memo to assist in the tracking of these grants.

### **ARRA Funding Opportunities**

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#### **Public Housing Capital Fund (CF) - See funding amounts below.**

Both formula and competitive funding grants are available for the CF in ARRA. The funding is available for the capital and management needs of public housing agencies (PHAs), except that the use of funds cannot be for operations or rental support. There is a 10% administrative cap on the formula funds; however, we have only budgeted for \$100,000.

#### **Formula Grant - \$7,401,512 (by formula)**

Applying for the Funds: The U.S. Department of Housing and Urban Development (HUD) published a Notice of Funding Availability (Notice) for the CF formula funds on March 18, 2009. On March 31, 2009, the Board of Commissioners approved a motion to accept the grant funds, and funding became available to the HACoLA on May 14, 2009.

Using the Funds: The funds are being used for security improvements, energy efficiency work measures, preventive maintenance, and general improvements at 12 public housing developments comprised of 2,500 public housing units.

Funding & Expenditure Levels: Of the \$3 billion made available nationally, HUD granted \$7.4 million by formula to the HACoLA. As of September 22, 2009, the HACoLA had expended \$1,246,742.81 of the \$1,663,301 obligated. The HACoLA must obligate 100% of the funds within 1 year, expend 60% of the funds in 2-years, and complete 100% of the fund expenditures in 3 years.

**Competitive Grant - (Of the total \$995 million available, the HACoLA has applied for \$22,399,000.)**

Applying for the Funds: On June 3, 2009, HUD issued an update to the CF competitive funds Notice originally published on May 7, 2009. In this, HUD altered the eligibility requirements which ultimately led to the HACoLA's pursuit of funding in the following categories.

On June 22, 2009, the HACoLA applied for \$16,475,000 in funding from the following 2 funding categories.

- Improvements Addressing the Needs of the Elderly and/or People with Disabilities (\$9,235,000) - To improve public housing units for the elderly and/or people with disabilities, and/or to create community facilities for the delivery of supportive services.
- Public Housing Transformation (\$7,240,000) - To transform distressed public housing projects in low poverty neighborhoods through new construction or rehabilitation.

On July 21, 2009, the HACoLA applied for \$5,924,000 in funding from the following funding category.

- Creation of an Energy Efficient Green Community - To facilitate transformational energy efficient and "green" retrofits to substantively increase energy efficiency and environmental performance.

Using the Funds: If granted, the HACoLA will use the funding from the 'Improvements Addressing the Needs of the Elderly and/or People with Disabilities' category to upgrade its inventory of accessible units. The HACoLA will make improvements to meet the Americans with Disabilities Act (ADA) code compliance through improvements such as the modernization of elevators and repairs to tenant parking lots. Funding from the 'Creation of an Energy Efficient Green Community' category will be used at the Nueva Maravilla housing development to reduce energy costs, generate resident and PHA energy savings, and reduce greenhouse gas emissions attributable to energy consumption.

Funding & Expenditure Levels: HUD will grant \$995 million nationally by competition between all categories. Although we were originally informed that all awards would be announced by September 30, 2009, HUD recently reported that outstanding notifications will be sent in the next several weeks. Concerning the HACoLA, this applies only to the 'Improvements Addressing the Needs of the Elderly and/or People with Disabilities' category, as we did not receive funding for the 'Public Housing Transformation' category. However, notification was received on September 23, 2009 that the HACoLA was awarded \$5,924,000 in the 'Creation of an Energy Efficient Green Community' category. There are no expenditures to date as the HACoLA has not received the funding for the 'Creation of an Energy Efficient Green Community' grant.

For each grant, 100% of the funds received by the HACoLA must be obligated within 1 year of the date in which funds become available for contracts. HUD requires the HACoLA to use at least 60% of the funds within 2 years and 100% of the funds within 3 years.

**Community Development Block Grant (CDBG) - \$8,080,528 (by formula)**

HUD granted CDBG ARRA (CDBG-R) funding by formula. Eligible uses of the funding align with the existing CDBG program. In this, local governments can undertake a wide range of activities intended to create suitable living environments, provide decent affordable housing, and create economic opportunities, mainly for people of low- and moderate-income. There is a 10% administrative cap on the use of CDBG-R funds.

Applying for the Funds: Although HUD released the formula grant in February of 2009, HUD did not release the Notice for CDBG-R funding until May 5, 2009. The CDC submitted an amendment to the CDBG Program Year 2008 Action Plan (as required by ARRA) on June 5, 2009, after receiving approval from the Board of Supervisors (Board) on June 2, 2009. The CDC received the Grant Agreements on August 26, 2009.

Using the Funds: During June and July 2009, the CDC worked with participating cities and Supervisorial Districts to identify eligible funding uses under CDBG-R. The CDC was expecting to present the projects to the Board for approval on July 21, 2009, but was stalled due to an initial review by HUD, which flagged approximately 7 projects related to recreational activities. According to HUD, only ADA improvement projects at park facilities will be allowed under ARRA. In light of the change, the CDC worked with the agencies affected by this regulation and submitted a revised list of projects for approval to HUD on August 13, 2009, and the Board on August 18, 2009. Both HUD and the Board approved the revised list of projects for the CDC's CDBG-R Program. Currently, all agencies are in the process of executing contracts and implementing the projects.

Funding & Expenditure Levels: Of the \$1 billion made available nationally, HUD granted \$8 million by formula to the CDC for the CDBG-R program. The CDC must use the entire grant of CDBG-R funds by September 30, 2012. The CDC must report on the number of jobs created and maintained, if applicable, as well as the regular CDBG accomplishments and performance measures for the program. There are no expenditures to date. Expenditures will begin in the month of October.

**Neighborhood Stabilization Program 2 (NSP2) - (Of the total \$2 billion available, the CDC has applied for \$61 million.)**

HUD will grant NSP2, numbered because it is the second round of NSP funding (the first was through the Housing and Economic Recovery Act of 2008), by competition. Allowable uses include acquisition, disposition, direct homeownership support, housing rehabilitation, clearance (for blighted structures only), new housing construction, and housing counseling. There is a 10% administrative cap on use of NSP2 funds.

Applying for the Funds: HUD released a Notice for NSP2 competitive funding on May 7, 2009. On July 10, 2009, the CDC submitted an application for \$61 million to continue the Housing and Economic Recovery Ownership program (HERO) and Rental Infill Sites activities.

Using the Funds: The CDC will use NSP2 funding to supplement its NSP1 program, which includes the HERO program and Rental Infill Sites activities for tenants below 50% of the area median income (AMI).

**Funding & Expenditure Levels:** HUD has made \$2 billion available nationally by competition. All selected applicants will be notified by December 1, 2009. Once the funds are received, 50% must be used within 2 years, and 100% in 3 years. There are no expenditures to date as this grant has not yet received funding.

**Homelessness Prevention and Rapid Re-Housing Program (HPRP) - \$12,197,108 (by formula)**

HUD granted HPRP funding by formula. Eligible uses include financial assistance, housing relocation and stabilization services, data collection and evaluation, as well as administration. There is a 5% administrative cap on the use of HPRP funds.

**Applying for the Funds:** HUD released a HPRP formula funding Notice on March 19, 2009. The CDC completed the application and the Board approved submittal to HUD at their April 28, 2009 meeting. The CDC submitted a completed application to HUD on May 18, 2009, and was subsequently approved in June. Trainings on reporting, program monitoring, and general implementation were held for the applicable County departments on August 19, 2009, and the CDC received the Grant Agreements on August 20, 2009.

**Using the Funds:** The CDC has been working with the Chief Executive Office, the Departments of Public Social Service, Community and Senior Services, Children and Family Services, Consumer Affairs, and the Los Angeles Homeless Services Authority, to develop a list of funding activities and service priorities. The Board reviewed and approved the projects on August 4, 2009. The HUD regulation requiring that all contracts be executed by September 30, 2009, has been met. Implementation is scheduled for October 1, 2009.

**Funding & Expenditure Levels:** Of the \$1.5 billion made available nationally, HUD granted \$12.1 million by formula to the CDC. 60% of the funds must be used within 2 years, and 100% in 3 years. The CDC was allowed to begin incurring costs as of August 18, 2009, but there are no expenditures to date as the activities have not begun.

**Green Retrofit Program for Multifamily Housing - (Of the total \$2 billion available, the HACoLA has applied for \$2.26 million.)**

HUD will award funding for the Green Retrofit Program for Multifamily Housing through loans and grants. Up to \$15,000 is available for each residential unit (with an expected average of \$10,000 for each unit) to reduce energy costs (more efficient heating and cooling systems), and water use (low-flow faucets and toilets). Also, funds can be used to improve indoor environmental quality (low-VOC products), and provide other environmental benefits (materials with recycled content, such as reflective roofing to reduce heat-island affects). There is no administrative cap.

**Applying for the Funds:** HUD released a competitive funding Notice on the Green Retrofit Program for Multifamily Housing on May 13, 2009. On June 15, 2009, the HACoLA submitted 2 applications, one for funding for the Kings Road site requesting \$1.06 million, and one for funding for the Lancaster Homes site requesting \$1.2 million. As previously reported, these applications were initially flagged by HUD and prevented from moving forward due to the issues associated with the Ujima Village site. However, HUD has subsequently released the restrictions and both applications were resubmitted by August 28, 2009.

associated with the Ujima Village site. However, HUD has subsequently released the restrictions and both applications were resubmitted by August 28, 2009.

Using the Funds: The HACoLA plans to continue pursuing funding for the modernization and rehabilitation of the Kings Road and Lancaster Homes developments.

Funding & Expenditure Levels: Of the \$250 million made available nationally by competition, the HACoLA applied for \$2.26 million. If granted funding, the HACoLA expects to begin making improvements immediately following, as all work must be completed within 2 years. There are no expenditures to date as this grant has not yet received funding.

**Juvenile Justice and Crime Prevention Act Program (JJCPA)/Edward Byrne Memorial Competitive Grant Program - (Of the total \$225 million available, the CDC has applied for \$974,283.)**

The U.S. Department of Justice (DOJ) will grant Edward Byrne Memorial Competitive Grant Program funding by competition. This funding is available to aid state, local, and tribal jurisdictions in improving the criminal justice system, providing support to victims of crime (other than by compensation), and supporting communities in preventing drug abuse, as well as crime. In addition, ARRA allows Byrne Memorial Competitive Grant funding for "youth mentoring grants." The CDC seeks a 10% administrative allowance.

Applying for the Funds: The CDC submitted an application on April 27, 2009, and may be 1 of several County Departments applying for these funds. We have been informed that all grant awards will be made before September 30, 2009.

Using the Funds: If awarded, the funds will be used to support existing JJCPA programs.

Funding & Expenditure Levels: Of the \$225 million made available nationally by competition, the CDC has applied for \$974,283. There are no expenditures to date as this program has not yet received funding.

If you have any questions, please contact me at (323) 890-7400, or Terry Gonzalez, Director, CDBG Division, at (323) 890-7150.

SR\TG\SH\nm

H:\SH\1 Legislation\1 Congress\Laws - Bills Passed\HR 1- American Recovery & Reinvestment Act 2009 (ARRA)\4 Monthly Board Report on Fund Spending\090930\090930 ARRA Board Update.doc

Attachment

c: Each Deputy  
Lari Sheehan, Deputy Chief Executive Officer, Chief Executive Office  
Ellen Sandt, Deputy Chief Executive Officer, Chief Executive Office  
Jackie White, Deputy Chief Executive Officer, Chief Executive Office  
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors  
Lisa Rizzo, Principal Analyst, Chief Executive Office  
Scott Wiles, Special Assistant, Chief Executive Office  
Jenny Serrano, Program Specialist, Chief Executive Office

<p style="text-align: center;"> <b>The CDC/HACoLA</b>  <b>American Recovery and Reinvestment Act of 2009 (ARRA) Proposal and Award Tracking Chart</b>  <i>As of September 30, 2009</i> </p>					
	ARRA GRANT OPPORTUNITY	FUNDING AGENCY	FORMULA AMOUNT/ \$ APPLIED FOR	AMOUNT AWARDED	GRANT AGREEMENT*
1	Capital Fund (formula)	HUD	\$7,401,512	\$7,401,512	Yes
2	Capital Fund (competitive) - Disabilities Category	HUD	\$9,235,000	Pending	No
3	Capital Fund (competitive) - PH Transformation	HUD	\$7,240,000	Did Not Receive	No
4	Capital Fund (competitive) - Green Technology	HUD	\$5,924,000	\$5,924,000	No
5	Community Development Block Grant - Recovery	HUD	\$8,080,528	\$8,080,528	Yes
6	Neighborhood Stabilization Program 2	HUD	\$61,000,000	Pending	No
7	Homeless Prevention and Rapid Re-Housing Program	HUD	\$12,197,108	\$12,197,108	Yes
8	Green Retrofit Program for Multifamily Housing	HUD	\$2,260,000	Pending	No
9	Edward Byrne Memorial Competitive Grant	DOJ	\$974,283	Pending	No
<b>Total Awarded Under ARRA as of 9/30/2009</b>			<b>\$33,603,148</b>		

*\*Grant Agreement Received – Funds available for drawdown at U.S. Treasury.*



**FOR YOUR INFORMATION ONLY**

**From:** Elisa Vasquez  
**Sent:** Tuesday, October 13, 2009 11:22 AM  
**To:** Directors/Managers  
**Cc:** Daniel Rofoli; Debra Solis; Elisa Vasquez; Geoffrey Siebens; Gloria Ramirez; Grace Thamawatanakul; Gregg Kawczynski; Joan Wall; Jose Pilpa; Lynna Ochoa; Marcie Miranda; 'meiwen fang'; Nicholas Teske; Raymond Webster; Samantha Harrison  
**Subject:** Legislative Update  
Hello,

Below please find an update on State and Federal legislative activity. Please let me know if you have any questions.

#### **County Legislative Agendas**

On Friday, September 18, the CDC responded to an annual request from the CEO for any updates, additions, or deletions to the County's State and Federal Legislative Agendas. The State and Federal Agendas are the backbone of the County's legislative advocacy. The priorities that ultimately get adopted by the Board provide County Departments with the authority to advocate on legislative issues that arise throughout the year. Should a legislative issue arise in which there is not an adopted county priority, County Departments are prohibited from taking a formal position (verbally or in writing) on the bill or proposition. All of the Divisions have provided valuable suggestions regarding their program's policies and the CEO has contacted IGR regarding several of them. As matters arise, IGR will communicate this information to the appropriate Divisions.

#### **State Legislative Session**

After threatening to veto all pending legislation in hopes of securing a big water deal, on Sunday, October 11, Governor Arnold Schwarzenegger approved 696 and vetoed 257 bills. The Governor reversed his threat due to the fact that he felt significant progress was being made on the water deal, the final of which could be worked out in a special session.

#### **FFY 2010 Appropriations**

As the war and health care bills dominate the minds of our legislators in Washington these days, little other legislation, including next year's budget, is moving. So, to keep federal programs running, a Continuing Resolution (CR) was signed by the President on October 1, 2009. The CR will keep government programs running at their FFY 2009 funding levels until October 31, 2009. Congress anticipates the passage of next year's budget by the CR's expiration date.

#### **American Recovery and Reinvestment Act of 2009 (ARRA)**

Last week, the CDC and HAcOLA submitted their first reports on the uses of the stimulus funding to the federal government. We are now working to find a way to get the same information to the County. The federal reports are to be submitted quarterly and encompass information on expenditures, job creation, salaries, etc., (just to name a few). Ultimately, the information will be reviewed by the federal government and placed on Recovery.gov for public view.

IGR will continue to monitor and report on these and any other relevant legislative matters.

Thanks,

Elisa

## HOUSING AUTHORITY COUNTY OF LOS ANGELES - CONVENTIONAL AND NON-CONVENTIONAL HOUSING

GROUP NO.	SITE	ADDRESS	NO. OF UNITS	HUD DEV. NO.	PROJECT NUMBER	Year Built	Year Acquired
1	Carmelitos (family)	700 Via Wanda, Long Beach 90805	558	CA16P002001	SS1102	1939	1939
1	Carmelitos (senior)	761 Via Carmelitos, Long Beach 90805	155	CA16P002026	SS1102	1939	1939
	Total Unit Count: Carmelitos		713				
2	Harbor Hills (family/senior)	26607 S. Western Ave., Lomita 90717	301	CA16P002002	SS1203	1941	1941
	Total Unit Count: Harbor Hills		301				
3	Nueva Maravilla (family/senior)	4919 E. Cesar E. Chavez Ave., Los Angeles 90022	504	CA16P002004	SS1301	1943	1942
	Total Unit Count: N. Maravilla		504				
4	West Knoll (senior)	838 West Knoll Ave., West Hollywood 90069	136	CA16P002014	SS3001	1977	1979
4	Palm Apartments (senior)	959 Palm Ave., West Hollywood 90069	127	CA16P002014	SS3002	1978	1979
	Total Unit Count: West County 1		263		Admin Project XX0930		
5	Marina Manor I (senior)	3401 Via Dolce, Marina Del Rey 90292	112	CA16P002013	SS3003	1983	1984
5	Marina Manor II (senior)	3405 Via Dolce, Marina Del Rey 90292	71	CA16P002027	SS3003	1983	1984
5	Ocean Park (family/senior)	175 Ocean Park Boulevard, Santa Monica 90405	22	CA16P002018	SS3006	1947	1986
5	Monica Manor (family)	1901-1909 11th Street, Santa Monica 90405	19	CA16P002097	SS3007	1987	1989
	Total Unit Count: West County 2		224		Admin Project XX0935		
6	Orchard Arms (senior)	23410-23540 Wiley Canyon Rd., Valencia 91355	183	CA16P002030	SS2001	1980	1980
6	Foothill Villa (senior)	2423 Foothill Boulevard, La Crescenta 91214	62	CA16P002029	SS2002	1981	1982
6	Quartz Hill I (family)	5028 West Avenue L-12, Quartz Hill 93536	20	CA16P002062	SS2003	1984	1984
6	Quartz Hill II (family)	42051 51th Street West, Quartz Hill 93536	20	CA16P002069	SS2003	1984	1984
	Total Unit Count: North County		285		Admin Project XX0920		
7	Francisquito Villa (family)	14622 Francisquito Ave., La Puente 91746	89	CA16P002015	SS4002	1979	1980
7	Carmelita Avenue (senior)	354-354 So. Carmelita Ave., Los Angeles, 90063	2	CA16P002091	SS4003	1955	1965
7	McBride Avenue (family)	1229 So. McBride Ave., Los Angeles, 90023	4	CA16P002021	SS4004	1968	1984
7	Williamson Avenue (family)	706-708 1/2 So. Williamson Ave., Los Angeles, 90022	4	CA16P002020	SS4005	1972	1983
7	Triggs Street (family/senior)	4432-4434 1/2 Triggs St., Los Angeles 90023	4	CA16P002097	SS4006	1964	1983
7	Simmons Avenue (family)	927 So. Simmons Ave., Los Angeles, 90022	4	CA16P002021	SS4007	1939	1983
7	4th & Mednick (family)	341 So. Mednick Ave., Los Angeles, 90022	2	CA16P002034	SS4009	1985	1985
7	Arizona & Olympic (family)	1003-1135 So. Arizona Ave., Los Angeles 90022	18	CA16P002048	SS4010	1984	1985
7	Whittier Manor (senior)	11527 Stauson Ave., Whittier 90606	49	CA16P002033	SS4011	1985	1982
7	Herbert Ave (senior)	133 Herbert Ave., Los Angeles 90063	46	CA16P002058	SS4012	1985	1984
7	Sundance Vista (family)	10850 Laurel Ave., Whittier 90605	41	CA16P002156	SS4014	1999	1999
	Total Unit Count: East County		253		Admin Project XX0940		
8	El Segundo I (family)	1928/3749 E. El Segundo Blvd., Compton 90222	30	CA16P002023	SS5001	1972	1982
8	South Bay Gardens (seniors)	230 E. 130th St., Los Angeles 90061	100	CA16P002032	SS5002	1982	1983
8	1115-16 W. 90th St. (family)	1115-16 W. 90th St., Los Angeles 90044	18	CA16P002091	SS5005	1970	1984
8	El Segundo II (2140) (family)	2140-2144 1/2 E. El Segundo Blvd., Compton 90222	13	CA16P002052	SS5015	1982	1985
8	El Segundo II (2141) (family)	2141-2145 E. El Segundo Blvd., Compton 90222	5	CA16P002061	SS5015	1985	1985
8	9104-18 S. Bandera St. (family)	9104-18 S. Bandera St., Los Angeles, 90002	8	CA16P002080	SS5016	1983	1983
8	1535 E. 83rd Street (family)	1535 E. 83rd St., Los Angeles 90002	2	CA16P002080	SS5017	1985	1985
8	1615-17 E. 87th Street (family)	1615-17 E. 87th St., Los Angeles 90002	4	CA16P002067	SS5018	1982	1985
8	8739 Beach St. (88th & Beach) (family)	8739 Beach St., Los Angeles 90002	4	CA16P002056	SS5019	1982	1985
8	4212-20 E. Addington Street (family)	4212-20 E. Addington St., Compton 90221	3	CA16P002071	SS5020	1982	1984
8	W. Imperial (family)	1221 & 1309 E. Imperial Hwy., Los Angeles 90044	9	CA16P002132	SS5026	1991	1992
8	Athens (family)	1120 W. 107th St., 1310 W. 110th St., & 11104 S. Normandie Ave., Los Angeles 90044	10	CA16P002127	SS5027	1988	1996
8	1527 E. 84th (family)	1527 E. 84th St., Los Angeles 90001	4	CA16P002107	SS5029	1998	1998
8	Jarvis Avenue (family)	12920 Jarvis Ave., Los Angeles 90061	1	CA16P002107	SS5030	1997	1997
8	Woodcrest I (family)	1239 W. 109th St., Los Angeles 90044	10	CA16P002066	SS5003	1983	1984
8	Woodcrest II (family)	1245 W. 109th St., Los Angeles 90044	10	CA16P002090	SS5003	1983	1984
8	1101-09 W. 91st (family)	1101-09 W. 91st St., Los Angeles 90044	16	CA16P002021	SS5006	1965	1983
8	1232-34 E. 119th (family)	1232-34 E. 119th St., Los Angeles 90059	2	CA16P002021	SS5007	1955	1986
8	1231-33 E. 61st (family)	1231-33 E. 61st St., Los Angeles 90001	6	CA16P002021	SS5008	1961	1983
8	1100 W. 106th Street (family)	1100 W. 106th St., Los Angeles 90044	10	CA16P002021	SS5009	1970	1984
8	1104 W. 106th Street (family)	1104 W. 106th St., Los Angeles 90044	10	CA16P002020	SS5009	1970	1984
8	1320 W. 107th (family)	1320 W. 107th St., Los Angeles 90044	18	CA16P002021	SS5010	1970	1984
8	11431-463 S. Normandie (family)	11431-463 S. Normandie Ave., Los Angeles 90047	28	CA16P002020	SS5011	1970	1984
8	1027-33 W. 90th (family)	1027-33 W. 90th St., Los Angeles 90044	6	CA16P002078	SS5014	1983	1986
8	W. 106th Street & Budlong (family)	1334-38 W. 106th St., 9410 & 11126 Budlong Ave., Los Angeles 90044	11	CA16P002079	SS5021	1983	1985
8	W. 94th & 95th Street (family)	1035-37 1/2 W. 94th St. & 1324 W. 95th St., Los Angeles 90044	8	CA16P002060	SS5022	1983	1985
8	W. 105th & 106th (family)	1336-40 W. 105th St. & 1057 W. 106th St., Los Angeles 90044	13	CA16P002124	SS5024	1991	1991
8	Century Wilton (family)	10025 Wilton Place, Los Angeles 90047	40	CA16P002020	SS5025	1965	1984
8	11248 S. Budlong (family)	11248 S. Budlong, Los Angeles 90044	6	CA16P002138	SS5028	1991	1996
8	1111th & Firmona	11117 & 11119 Firmona Ave., Lennox 90304	2	Pending	SS5031	1967	2008
8	Linsley	4621 & 4625 Linsley St., Compton 90221	2	CA16P002157	SS5032	1967	2008
	Total Unit Count: South County		499		Admin Project XX0950		
Total Housing Authority-Owned - Conventional			2,962				
City of Lomita - Conventional	Lomita Manor (senior)	24925 Walnut St., Lomita 90717	78		SS1204	1985	1985
Non-Conventional Housing							
	Kings Road JPA (senior)	800-801 N. Kings Road, West Hollywood 90069	106	122-94014	UU0001	1980	1980
	Lancaster Homes (senior)	711-737 W. Jackman St., Lancaster 93534	120	122-94013	UU0002	1978	1979
	Santa Monica RHP (family)	1855 9th St., 1450 14th St., & 2006 20th St., Santa Monica 90405	41	80-RHC-008	SS3005	1983	1984
	Villa Nueva RHP (family)	958-676 S. Ferris Ave., Los Angeles 90022	21	80-RHC-008B	SS4013	1985	1985
	Willowbrook (family)	11718-11740 Willowbrook Ave., Los Angeles 90044	8	CA16-M000-385	SS6001	1975	1990
	Ujima Village (family/senior)	941 E. 126th St., Los Angeles 90059	300	CA16-E000-028	SS8001	1971	1995
Total Number of Units- Non Conventional			596				
Total Number of Units- HM			3,536				

**Modernization Construction Activity to be completed  
in FY 2008-09**

- 1 106th Street- Fire damage & rehab
- 2 1101-1104 W. 106th Street - Drainage project
- 3 Arizona & Olympic/-Smoke Detectors
- 4 Carmelitos - Replace interior stair treads
- 5 Carmelitos Senior - Hallway painting and repairing stairs
- 6 Carmelitos Senior - Replace carpet
- 7 Carmelitos-Replace Gas Lines Phase IV
- 8 Foothill Villa - Replace flooring
- 9 Francisquito-Replace carpet
- 10 Francisquito-Replace smoke detectors/exit signs
- 11 Francisquito-Replace windows and blinds
- 12 Harbor Hills - Remodel kitchens Phase I
- 13 Herbert-Fire Alarm
- 14 Herbert-Replace carpet
- 15 Linsley and Firmona - General rehab.
- 16 Marina Manor I & II - Replace elevators
- 17 Marina Manor- Install awnings
- 18 Marina Manor-Replace smoke detectors & exit signs
- 19 McBride-Paint Building exterior
- 20 Ocean Park-Termite Abatement
- 21 Palm-Replace smoke detectors
- 22 Palm-Upgrade Elevator
- 23 Quartz Hill-Replace air conditioners
- 24 Scattered Sites - Replace gates at 13 sites
- 25 South Bay Gardens-Replace Elevator
- 26 SSS-CCTV at 4 sites
- 27 Sundance Vista - Install irrigation and replace rear yard fencing
- 28 Westknoll-Replace smoke detectors
- 29 Whittier Manor - Replace stair treads
- 30 Whittier Manor-Entry Door Replacement

*FOR YOUR INFORMATION ONLY*

**30 Construction Contracts at 33 Housing Developments**

**Modernization Construction Activity anticipated to be completed  
in FY 2009-10**

- 1 Carmelitos- Parking Lots
- 2 Carmelitos Senior-ADA Kitchen remodels/smoke detectors
- 3 Carmelitos-Raised Garden Beds
- 4 Carmelitos-Resurface Playground
- 5 Foothill Villa-Elevator Upgrade
- 6 Foothill Villa-Replace smoke detectors
- 7 Francisquito Villa - Upgrade elevators
- 8 Harbor Hills - Remodel kitchens Phase II & III
- 9 Harbor Hills-Parking Lots
- 10 Harbor Hills-Resurface Playground
- 11 Herbert - Upgrade elevator
- 12 Lomita Manor-Elevator Upgrade
- 13 Lomita Manor-Replace boilers/trash chutes
- 14 Lomita Manor-Replace roof
- 15 Maravilla (Rosas)- Build Bridges to connect buildings
- 16 Maravilla (Rosas)-Upgrade Elevator
- 17 Maravilla- Parking Lots
- 18 Marina Manor I & II - Replace security gates
- 19 Ocean Park - Replace wall heaters
- 20 Ocean Park-Remodel kitchens/bathrooms
- 21 Ocean Park-Repair Stucco
- 22 Orchard Arms- Replace boilers/copper piping
- 23 Orchard Arms- Smoke detectors
- 24 Orchard Arms-Elevator Upgrade
- 25 Orchard Arms-Repave driveway
- 26 Quartz Hill-Replace water valves
- 27 SSS-Vacant Unit Rehab at 4 sites
- 28 Whittier Manor- Smoke detectors
- 29 Whittier Manor-Elevator Upgrade
- 30 Woodcrest-Replace Roof

**Anticipating 30 Construction Contracts at 24 Housing Developments**

09-10 Budget\_Construction Projects

# ARRA Project Summary

## 1) Capital Fund ARRA

Obligation Date  
60% Expenditure Date  
100% Expenditure Date

Milestone  
3/17/10  
3/17/11  
3/17/12

**FOR YOUR INFORMATION ONLY**

### 1st District

<b>Francisquito Villa - Replace smoke detectors TP002682</b>		\$ 50,000
Obligation (Board approves construction contract)	6/12/09	
100% Expenditure (project complete)	11/13/09	
<b>Francisquito Villa - Modernize/upgrade elevator TP002569</b>		\$ 500,000
Obligation (Board approves construction contract)	10/6/09	
100% Expenditure (project complete)	8/26/10	
<b>Nueva Maravilla Common Area ADA/Section 504 Survey recommendations and Kitchen Bathroom remodel TP002830</b>		\$ 351,512
Obligation (Board approves construction contract)	2/9/10	
100% Expenditure (project complete)	6/16/10	
<b>Whittier Manor - modernize/upgrade elevator TP002011</b>		\$ 500,000
Obligation (Board approves construction contract)	10/6/09	
100% Expenditure (project complete)	9/2/10	
<b>Whittier Manor - Replace smoke detectors TP002682</b>		\$ 30,000
Obligation (Board approves construction contract)	6/2/09	
100% Expenditure (project complete)	8/13/09	

### 3rd District

<b>Marina Manor I &amp; II - Replace all entry/exit doors to meet ADA building code requirements TP002675</b>		\$ 230,000
Obligation (Board approves construction contract)	12/16/09	
100% Expenditure (project complete)	6/1/10	
<b>ADA/Section 504 Improvements @ West Knoll and Palm TP002829</b>		\$ 90,000
Obligation (Board approves construction contract)	2/9/10	
100% Expenditure (project complete)	8/6/10	
<b>Replace common area flooring @ Marina Manor, Palm &amp; West Knoll TP002827</b>		\$ 180,000
Obligation (Board approves construction contract)	3/1/10	
100% Expenditure (project complete)	3/31/10	

### 4th District

<b>Carmelitos - Repair parking lot (Phase I) TP002377</b>		\$ 2,000,000
Obligation (Board approves construction contract)	11/10/09	
100% Expenditure (project complete)	6/11/10	
<b>Harbor Hills - Repair parking lot (Phase I) TP002358</b>		\$ 1,500,000
Obligation (Board approves construction contract)	11/10/09	
100% Expenditure (project complete)	6/14/10	

### 5th District

<b>Quartz Hill - Replace Swamp Coolers w/air conditioners. Upgrade electrical as necessary TP002810</b>		\$ 500,000
Obligation (Board approves construction contract)	2/9/10	
100% Expenditure (project complete)	6/25/10	
<b>Orchard Arms - Replace boilers with high efficiency boilers. Replace copper piping &amp; repair parking lots &amp; sidewalks TP002677</b>		\$ 300,000
Obligation (Board approves construction contract)	12/1/09	
100% Expenditure (project complete)	4/22/10	

**TOTAL CF ARRA** **\$ 6,231,512**



# ARRA Project Summary

## 2) City of Lomita ARRA

<b>Lomita Manor - Repair parking lot (Jose) TP002831</b>			
Obligation (Lomita approves construction contract)	5/28/09	\$	50,000
100% Expenditure (project complete)	5/12/10		
<b>Lomita Manor - Replace four boilers and two water storage tanks (Chen) TP002742</b>			
Obligation (Lomita approves construction contract)	11/2/09	\$	30,000
100% Expenditure (project complete)	2/26/10		
<b>Lomita Manor - Upgrade elevator controls to meet ADA code requirements (Jose) TP002777</b>			
Obligation (Lomita approves construction contract)	1/4/10	\$	38,023
100% Expenditure (project complete)	1/7/11		

<b>TOTAL LOMITA ARRA</b>		\$	118,023
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## 3) CDBG ARRA

<b>Obligation Deadline</b>	<b>12/24/09</b>
<b>60% Expenditure</b>	<b>12/24/10</b>
<b>100% Expenditure</b>	<b>12/23/11</b>

### 2nd District

<b>South Bay Gardens - Rehab water damaged units (4 units) TP002242</b>			
Obligation (Board approves construction contract)	11/30/09	\$	120,000
100% Expenditure (project complete)	7/27/10		
<b>87th Street roof replacement (Gloria) TP002811</b>			
Obligation (Board approves construction contract)	10/26/09	\$	50,000
100% Expenditure (project complete)	1/15/10		
<b>Roof Replacement @ 4 Sites on El Segundo &amp; 107th Street TP002886</b>	11/30/09	\$	280,000
Obligation (Board approves construction contract)	11/30/09		
100% Expenditure (project complete)	6/15/10		

### 4th District

<b>Carmelitos Seniors Elevator Modernization TP002568</b>	9/8/09		
Obligation (Board approves construction contract)	9/8/09	\$	318,945
100% Expenditure (project complete)	2/25/10		

<b>TOTAL CDBG ARRA</b>		\$	768,945
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# ARRA Project Summary

FOR YOUR INFORMATION ONLY

## 4) Creation of Energy Efficient Green Communities ARRA

60% Obligation Deadline  
100% Obligation Deadline  
100% Expenditure Deadline

9/30/10  
9/30/11  
9/30/12

### 1st District - Nueva Maravilla

#### Photovoltaics Mounting Structures

Obligation - TBD

Expenditure - TBD

TBD

\$ 113,750

TBD

#### Condensing Tank-Type Water Heaters

Obligation - TBD

Expenditure - TBD

TBD

\$ 194,143

TBD

#### Solar Thermal Water Heating System

Obligation - TBD

Expenditure - TBD

TBD

\$ 115,200

TBD

#### Xeriscaping and Irrigation Improvements

Obligation - TBD

Expenditure - TBD

TBD

\$ 312,550

TBD

#### Electric Submeters and Infrastructure

Obligation - TBD

Expenditure - TBD

TBD

\$ 2,107,143

TBD

#### Parking Repairs

Obligation - TBD

Expenditure - TBD

TBD

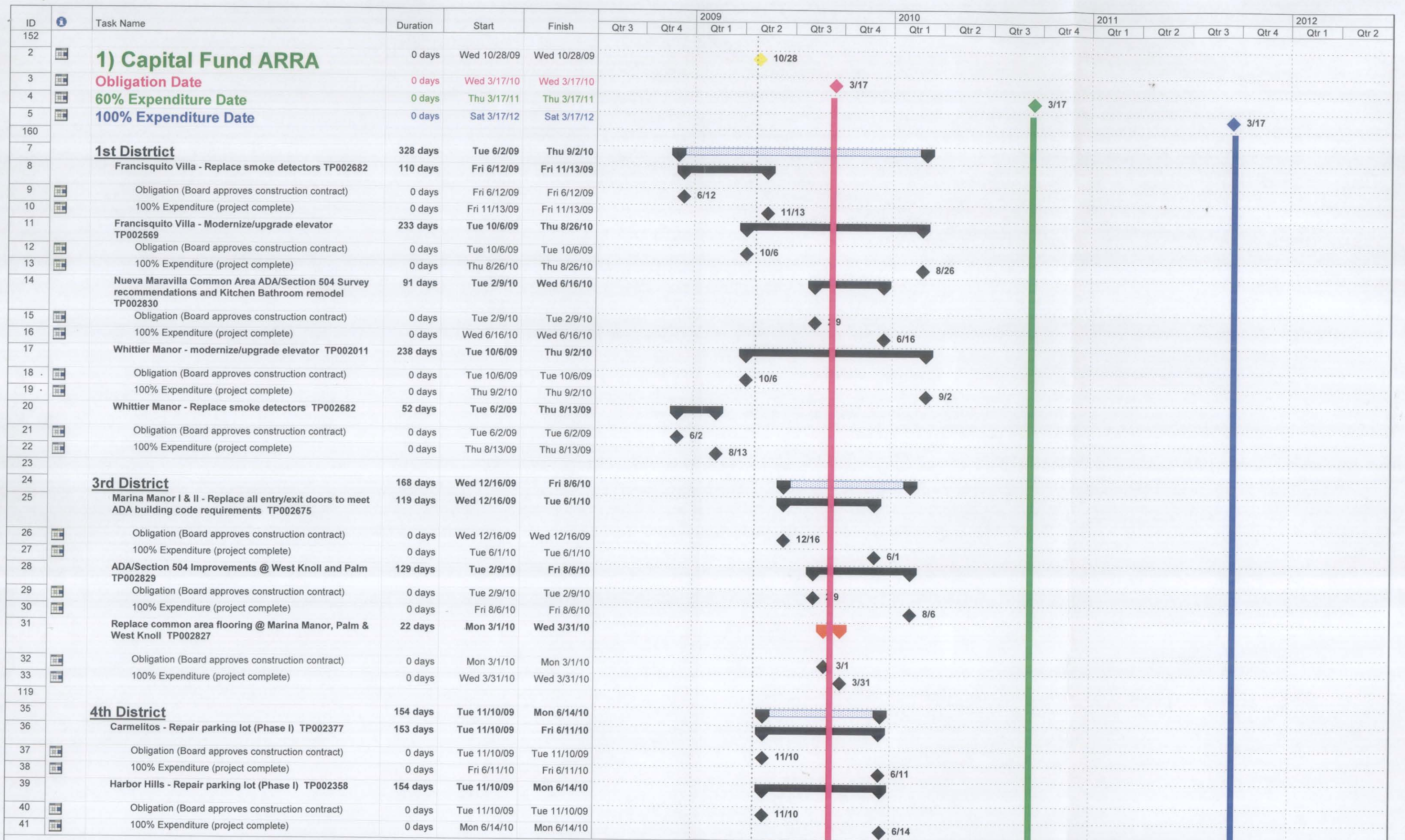
\$ 1,700,000

TBD

### Total Green Communities

\$ 4,542,786












































ID	Task Name	Duration	Start	Finish	2009				2010				2011				2012	
					Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
162																		
43	<b>5th District</b>	148 days	Tue 12/1/09	Fri 6/25/10														
44	Quartz Hill - Replace Swamp Coolers w/air conditioners. Upgrade electrical as necessary TP002810	98 days	Tue 2/9/10	Fri 6/25/10														
45	Obligation (Board approves construction contract)	0 days	Tue 2/9/10	Tue 2/9/10														
46	100% Expenditure (project complete)	0 days	Fri 6/25/10	Fri 6/25/10														
47	Orchard Arms - Replace boilers with high efficiency boilers. Replace copper piping & repair parking lots & sidewalks TP002677	102 days	Tue 12/1/09	Thu 4/22/10														
48	Obligation (Board approves construction contract)	0 days	Tue 12/1/09	Tue 12/1/09														
49	100% Expenditure (project complete)	0 days	Thu 4/22/10	Thu 4/22/10														
50																		
51																		
52	<b>2) City of Lomita ARRA</b>	385 days	Mon 11/2/09	Fri 4/22/11														
53	Lomita Manor - Repair parking lot (Jose) TP002831	105 days	Mon 3/1/10	Fri 7/23/10														
54	Obligation (Lomita approves construction contract)	0 days	Mon 3/1/10	Mon 3/1/10														
55	100% Expenditure (project complete)	0 days	Fri 7/23/10	Fri 7/23/10														
56	Lomita Manor - Replace four boilers and two water storage tanks (Chen) TP002742	84 days	Mon 11/2/09	Fri 2/26/10														
57	Obligation (Lomita approves construction contract)	0 days	Mon 11/2/09	Mon 11/2/09														
58	100% Expenditure (project complete)	0 days	Fri 2/26/10	Fri 2/26/10														
59	Lomita Manor - Upgrade elevator controls to meet ADA code requirements TP002777	300 days	Mon 3/1/10	Fri 4/22/11														
60	Obligation (Lomita approves construction contract)	0 days	Mon 3/1/10	Mon 3/1/10														
61	100% Expenditure (project complete)	0 days	Fri 4/22/11	Fri 4/22/11														
62																		
63																		
64	<b>3) CDBG ARRA</b>	0 days	Wed 10/28/09	Wed 10/28/09														
164	Obligation Deadline	0 days	Thu 12/24/09	Thu 12/24/09														
163	60% Expenditure	0 days	Fri 12/24/10	Fri 12/24/10														
67	100% Expenditure	0 days	Fri 12/23/11	Fri 12/23/11														
123																		
69	<b>2nd District</b>	197 days	Mon 10/26/09	Tue 7/27/10														
70	South Bay Gardens - Rehab water damaged units (4 units) TP002242	172 days	Mon 11/30/09	Tue 7/27/10														
154	Obligation (Board approves construction contract)	0 days	Mon 11/30/09	Mon 11/30/09														
72	100% Expenditure (project complete)	0 days	Tue 7/27/10	Tue 7/27/10														
156	87th Street roof replacement (Gloria) TP002811	59 days	Mon 10/26/09	Fri 1/15/10														
115	Obligation (Board approves construction contract)	0 days	Mon 10/26/09	Mon 10/26/09														
158	100% Expenditure (project complete)	0 days	Fri 1/15/10	Fri 1/15/10														
76	Roof Replacement @ 4 Sites on El Segundo & 107th Street TP002886	141 days	Mon 11/30/09	Tue 6/15/10														
77	Obligation (Board approves construction contract)	0 days	Mon 11/30/09	Mon 11/30/09														
78	100% Expenditure (project complete)	0 days	Tue 6/15/10	Tue 6/15/10														
79																		
167	<b>4th District</b>	122 days	Tue 9/8/09	Thu 2/25/10														
81	Carmelitos Seniors Elevator Modernization TP002568	122 days	Tue 9/8/09	Thu 2/25/10														
82	Obligation (Board approves construction contract)	0 days	Tue 9/8/09	Tue 9/8/09														
151	100% Expenditure (project complete)	0 days	Thu 2/25/10	Thu 2/25/10														



ID	Task Name	Duration	Start	Finish	2009				2010				2011				2012	
					Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
150																		
191																		
86	 <b>4) Creation of Energy Efficient Green Communities ARRA</b>	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
168																		
127	 60% Obligation Deadline	0 days	Thu 9/30/10	Thu 9/30/10							 9/30							
128	 100% Obligation Deadline	0 days	Fri 9/30/11	Fri 9/30/11														
90	 100% Expenditure Deadline	0 days	Sun 9/30/12	Sun 9/30/12														
91	<b>1st District - Nueva Maravilla</b>	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
173	Photovoltaics Mounting Structures	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
93	 Obligation - TBD	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
94	 Expenditure - TBD	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
134	Condensing Tank-Type Water Heaters	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
96	 Obligation - TBD	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
178	 Expenditure - TBD	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
98	Solar Thermal Water Heating System	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
180	 Obligation - TBD	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
139	 Expenditure - TBD	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
140	Xeriscaping and Irrigation Improvements	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
183	 Obligation - TBD	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
184	 Expenditure - TBD	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
143	Electric Submeters and Infrastructure	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
105	 Obligation - TBD	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
145	 Expenditure - TBD	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
146	Parking Repairs	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
147	 Obligation - TBD	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										
109	 Expenditure - TBD	0 days	Wed 10/28/09	Wed 10/28/09				 10/28										



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • [www.lacdc.org](http://www.lacdc.org)



**Gloria Molina**  
**Mark Ridley-Thomas**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Sean Rogan**  
*Executive Director*

October 20, 2009

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**APPROVE A CONSTRUCTION CONTRACT FOR THE PARKING LOT AND  
SIDEWALK IMPROVEMENTS AT THE HARBOR HILLS HOUSING DEVELOPMENT  
IN THE CITY OF LOMITA (DISTRICT 4)**

**SUBJECT**

This letter recommends approval of a Construction Contract (Contract) with Torres Construction Corp. to complete the replacement and modernization of one parking lot, adjacent sidewalks and all associated work at the Harbor Hills housing development located at 26607 South Western Avenue in the City of Lomita.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners find that the approval of a Contract for parking lot and sidewalk improvements at the Harbor Hills housing development is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners award and authorize the Executive Director to execute, administer, implement, and if necessary, terminate a Contract in the amount of \$467,129 with Torres Construction Corp. to complete the replacement and modernization of one parking lot and adjacent sidewalks at the Harbor Hills housing development, following approval as to form by County Counsel.
3. Recommend that the Board of Commissioners authorize the Executive Director to fund the Contract with a total of \$467,129 in American



Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2009-10 budget for this purpose.

4. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding \$93,425 for unforeseen project costs, using the same source of funds and following approval as to form by County Counsel.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this action is to award a Contract for the replacement and modernization of one parking lot, adjacent sidewalks and all associated work at the Harbor Hills housing development.

#### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund. The Housing Authority will fund the improvements with \$467,129 in ARRA CFP funds allocated by HUD and included in the Housing Authority's approved Fiscal Year 2009-10 budget.

A \$93,425 contingency is also being set aside for unforeseen costs, using ARRA CFP funds. A 20% contingency is recommended because this type of work often involves unforeseen conditions beyond what was initially identified in the scope of work.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Torres Construction Corp. will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Contract has been approved as to form by County Counsel and executed by Torres Construction Corp.

#### **CONTRACTING PROCESS**

On August 28, 2009, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to 630 contractors identified from the Housing Authority's vendor list. Advertisements also

appeared in eight newspapers and on the County Website. Twenty-two bid packages were requested and distributed.

On September 24, 2009, seven bids were received and formally opened. Torres Construction Corp. submitted the lowest bid and is being recommended for the Contract award.

The Summary of Outreach Activities is provided as Attachment A.

### **ENVIRONMENTAL DOCUMENTATION**

Pursuant to 24 Code of Federal Regulation, Part 58, Section 58.35 (a) (3)(ii), this project is excluded from the National Environmental Policy Act because it involves activities that will not alter existing environmental conditions. It is exempt from the provisions of CEQA, pursuant to State CEQA Guidelines 15301, because it involves negligible or no expansion of use beyond what currently exists and does not have the potential for causing a significant effect on the environment.

### **IMPACT ON CURRENT PROJECT**

The award of the Contract will modernize the Harbor Hills housing development and provide residents with a properly maintained parking lot and adjacent sidewalks.

Respectfully submitted,

  
for SEAN ROGAN  
Executive Director

Attachments: 2



## ATTACHMENT A

### Summary of Outreach Activities

Construction Contract for the replacement and modernization of one parking lot (parking lot number 100) and adjacent sidewalks to meet requirements of the American with Disabilities Act at the Harbor Hills housing development in the City of Lomita.

On August 28, 2009, the following outreach was initiated to identify a contractor to complete a parking modernization project to meet the requirements of the American with Disabilities Act at the Harbor Hills housing development located at 26607 South Western Avenue in the City of Lomita:

#### A. Newspaper Advertising

Announcements appeared in the following eight local newspapers:

Los Angeles Times (Full Run)	Dodge Construction News/Green Sheet
Los Angeles Sentinel	Eastern Group Publications
International Daily News	The Daily News
La Opinion	
WAVE Community Newspapers-Zone Long Beach Area only	

An announcement was also posted on the County Website.

#### B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 630 contractors, of which 445 identified themselves as businesses owned by minorities or women (private firms which are 60 percent owned by minorities or women, or publicly-owned businesses in which 56 percent of the stock is owned by minorities or women). As a result of the outreach, twenty two bid packages were requested and distributed.

#### C. Pre-Bid Conference and Site Walk

On September 17, 2009, a mandatory pre-bid conference and site walk was conducted. Thirty-four firms were in attendance.

#### D. Bid Results

On September 24, 2009, a total of seven bids were received and publicly opened. The bid result was as follows:

<u>Company</u>	<u>Bid Amount</u>
Torres Construction Corp.	\$467,129.94
Arc Accucon Construction	\$481,834.00
Saeico Inc.	\$518,225.00
Westside Construction	\$519,254.00
CAS General Contractor	\$640,260.00
Fasone Construction	\$664,000.00
Western Group	\$693,095.00

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Torres Construction Corp.	Non-Minority	Total: 17 6 minorities 1 woman 28% minorities 4% women
Superior Concrete (Concrete sub-contactor)	Non-Minority	Total: 16 2 minorities 2 women 12.5% minorities 12.5% women

F. Minority/Women Participation - Firms Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Arc Accucon Construction.	Minority	Total: 10 10 Minorities 1 Woman 100% minorities 10% women
Saeico Inc..	Minority	Total: 10 10 Minorities 1 Woman 100% minorities 10% women

Westside Construction.	Minority	Total: 10 10 Minorities 1 Woman 100% minorities 10% women
CAS General Contractor.	Minority	Total: 10 10 Minorities 1 Woman 100% minorities 10% women
Fasone Construction.	Minority	Total: 10 10 Minorities 1 Woman 100% minorities 10% women
Western Group.	Minority	Total: 10 10 Minorities 1 Woman 100% minorities 10% women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

## ATTACHMENT B

### Contract Summary

**Project Name:** Harbor Hills replacement and modernization of one parking lot (parking lot number 100) and adjacent sidewalks project  
**Location:** 26607 South Western Avenue, Lomita, CA 90717  
**Bid Number:** CD-09-149  
**Bid Date:** September 24, 2009  
**Contractor:** Torres Construction Corp.  
**Services:** Replacement and modernization of one parking lot and adjacent sidewalks

**Contract Documents:** Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all addenda to the Contract Documents.

**Notice to Proceed and Completion:** The work to be performed under this Construction Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within thirty (30) calendar days following the required commencement date.

**Liquidated Damages:** In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Five Hundred Dollars and Zero Cents (\$500.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

**Contract Sum:** The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Four Hundred Sixty Seven Thousand One Hundred Twenty Nine Dollars and Ninety Four Cents (\$467,129)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

Contract Contingency: **\$93,425**



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**Gloria Molina  
Mark Ridley-Thomas  
Zev Yaroslavsky  
Don Knabe  
Michael D. Antonovich**  
*Commissioners*

**Sean Rogan**  
*Executive Director*

October 28, 2009

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**APPROVE A CONSTRUCTION CONTRACT FOR THE REPLACEMENT AND  
MODERNIZATION OF TWO PARKING LOTS AND ADJACENT SIDEWALKS AT THE  
CARMELITOS FAMILY HOUSING DEVELOPMENT IN THE CITY OF LONG BEACH  
(DISTRICT 4)**

**SUBJECT**

This letter recommends approval of a Construction Contract (Contract) with Torres Construction Corp. to complete the replacement and modernization of two parking lots (parking lot numbers 7 and 12) adjacent sidewalks and all associated work at the Carmelitos family housing development located at 1000 Via Wanda in the City of Long Beach.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners find that the approval of a Contract for parking lot and sidewalk improvements at the Carmelitos family housing development is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners award and authorize the Executive Director to execute, administer, implement, and if necessary, terminate a Contract in the amount of \$411,543 with Torres Construction Corp. to complete the replacement and modernization of two parking lots, adjacent sidewalks and all associated work at the Carmelitos family housing development, following approval as to form by County Counsel.



3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$411,543 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2009-2010 budget for this purpose.
4. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding \$82,308 for unforeseen project costs, using the same source of funds and following approval as to form by County Counsel.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this action is to award a Contract for the replacement and modernization of two parking lots, adjacent sidewalks and all associated work at the Carmelitos family housing development.

#### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund. The Housing Authority will fund the improvements with \$411,543 ARRA CFP funds allocated by HUD and included in the Housing Authority's approved Fiscal Year 2009-2010 budget.

An \$82,308 contingency is also being set aside for unforeseen costs, using ARRA CFP funds. A 20% contingency is recommended because this type of work often involves unforeseen conditions beyond what was initially identified in the scope of work.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Torres Construction Corp. will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Contract has been approved as to form by County Counsel and executed by Torres Construction Corp.



### **CONTRACTING PROCESS**

On August 28, 2009, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to 630 contractors identified from the Housing Authority's vendor list. Advertisements also appeared in eight newspapers and on the County Web Site. Sixteen bid packages were requested and distributed.

On September 22, 2009, five bids were received and formally opened. Torres Construction Corp. submitted the lowest bid and is being recommended for the Contract award.

The Summary of Outreach Activities is provided as Attachment A.

### **ENVIRONMENTAL DOCUMENTATION**

Pursuant to 24 Code of Federal Regulation, Part 58, Section 58.35 (a) (3)(ii), this project is excluded from the National Environmental Policy Act because it involves activities that will not alter existing environmental conditions. It is exempt from the provisions of CEQA, pursuant to State CEQA Guidelines 15301, because it involves negligible or no expansion of use beyond what currently exists and does not have the potential for causing a significant effect on the environment.

### **IMPACT ON CURRENT PROJECT**

The award of the Contract will modernize the Carmelitos family housing development and provide residents with properly maintained parking lots and adjacent sidewalks.

Respectfully submitted,

  
for SEAN ROGAN  
Executive Director

Attachments: 2

## ATTACHMENT A

### Summary of Outreach Activities

Construction Contract for the replacement and modernization of two parking lots and adjacent sidewalks to meet requirements of the American with Disabilities Act at the Carmelitos family housing development in the City of Long Beach.

On August 28, 2009, the following outreach was initiated to identify a contractor to complete the replacement and modernization of two parking lots and adjacent sidewalks project to meet the requirements of the American with Disabilities Act at the Carmelitos family housing development located at 1000 Via Wanda in the City of Long Beach.

#### A. Newspaper Advertising

Announcements appeared in the following eight local newspapers:

Los Angeles Times (Full Run)	Dodge Construction News/Green Sheet
Los Angeles Sentinel	Eastern Group Publications
International Daily News	The Daily News
La Opinion	
WAVE Community Newspapers-Zone Long Beach Area only	

An announcement was also posted on the County Web Site.

#### B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 630 contractors, of which 445 identified themselves as businesses owned by minorities or women (private firms which are 60 percent owned by minorities or women, or publicly-owned businesses in which 56 percent of the stock is owned by minorities or women). As a result of the outreach, sixteen bid packages were requested and distributed.

#### C. Pre-Bid Conference and Site Walk

On September 15, 2009, a mandatory pre-bid conference and site walk was conducted. Thirty-two firms were in attendance.

#### D. Bid Results

On September 22, 2009, a total of five bids were received and publicly opened. The bid result was as follows:

CompanyBid Amount

Torres Construction Corp.  
4-Con Construction  
Saeico Inc.  
Texsum Construction  
Westside Construction Inc.

\$411,543.00  
\$449,381.00  
\$475,500.00  
\$488,000.00  
\$561,099.50

E. Minority/Female Participation – Selected ContractorNameOwnershipEmployees

Torres Construction Corp.

Minority

Total: 97  
87 minorities  
13 women  
89% minorities  
14% women

Enviro-Crete Inc.  
(Concrete sub-contactor)

Minority

Total: 20  
14 minorities  
1 woman  
70% minorities  
5% women

F. Minority/Women Participation - Firms Not SelectedNameOwnershipEmployees

4- Engineering.

Minority

Total: 28  
10 Minorities  
1 Woman  
100% minorities  
10% women

SAEICO Inc.

Minority

Total: 10  
10 Minorities  
1 Woman  
100% minorities  
10% women

Westside Construction Inc.

Minority

Total: 10  
10 Minorities  
1 Woman  
100% minorities  
10% women

Texsum Construction Inc.

Minority

Total: 10  
10 Minorities  
1 Woman  
100% minorities  
10% women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the Contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

## ATTACHMENT B

### Contract Summary

**Project Name:** Carmelitos replacement and modernization of two parking lots (parking lots number 7 and 12) and adjacent sidewalks project  
**Location:** 1000 Via Wanda, Long Beach, CA 90805  
**Bid Number:** CD-09-144  
**Bid Date:** September 22, 2009  
**Contractor:** Torres Construction Corp.  
**Services:** Replacement and modernization of two parking lots and adjacent sidewalks

**Contract Documents:** Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all addenda to the Contract Documents.

**Notice to Proceed and Completion:** The work to be performed under this Construction Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within sixty (60) calendar days following the required Notice to Proceed.

**Liquidated Damages:** In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Five Hundred Dollars and Zero Cents (\$500.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

**Contract Sum:** The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Four Hundred Eleven Thousand Five Hundred Forty Three Dollars and Zero Cents (\$411,543)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

Contract Contingency: **\$82,308**



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • [www.lacdc.org](http://www.lacdc.org)



**Gloria Molina**  
**Mark Ridley-Thomas**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Sean Rogan**  
*Executive Director*

October 28, 2009

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**APPROVE A CONSTRUCTION CONTRACT FOR PARKING LOT AND SIDEWALK  
IMPROVEMENTS AT THE NUEVA MARAVILLA SENIOR HOUSING DEVELOPMENT  
IN UNINCORPORATED EAST LOS ANGELES (DISTRICT 1)**

**SUBJECT**

This letter recommends approval of a Construction Contract (Contract) with AZ Home Inc. to complete two new parking lots facing Mednik Avenue and replace and modernize the existing parking lot, adjacent sidewalks and all associated work at the Nueva Maravilla senior housing development located at 4919 Cesar E. Chavez Avenue in unincorporated East Los Angeles.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners find that the approval of a Contract for parking lot and sidewalk improvements at the Nueva Maravilla senior housing development is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners award and authorize the Executive Director to execute, administer, implement, and if necessary, terminate a Contract in the amount of \$643,787 to AZ Home Inc. to complete two new parking lots and replace and modernize the existing parking lot, adjacent sidewalks and all associated work at the Nueva Maravilla senior housing development, following approval as to form by County Counsel.



3. Recommend that the Board of Commissioners authorize the Executive Director to fund the Contract with a total of \$643,787 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2009-10 budget for this purpose.
4. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding \$128,757 for unforeseen project costs, using the same source of funds and following approval as to form by County Counsel.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this action is to award a Contract for two new parking lots and the replacement and modernization of the existing parking lot, adjacent sidewalks and all associated work at the Nueva Maravilla senior housing development.

#### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund. The Housing Authority will fund the improvements with \$643,787 in ARRA CFP funds allocated by HUD and included in the Housing Authority's approved Fiscal Year 2009-10 budget.

A \$128,757 contingency is also being set aside for unforeseen costs, using ARRA CFP funds. A 20% contingency is recommended because this type of work often involves unforeseen conditions beyond what was initially identified in the scope of work.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, AZ Home Inc. will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Contract has been approved as to form by County Counsel and executed by AZ Home Inc.



### **ENVIRONMENTAL DOCUMENTATION**

Pursuant to 24 Code of Federal Regulation, Part 58, Section 58.35 (a) (3)(ii), this project is excluded from the National Environmental Policy Act because it involves activities that will not alter existing environmental conditions. It is exempt from the provisions of CEQA, pursuant to State CEQA Guidelines 15301, because it involves negligible or no expansion of use beyond what currently exists and does not have the potential for causing a significant effect on the environment.

### **CONTRACTING PROCESS**

On August 28, 2009, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to 630 contractors identified from the Housing Authority's vendor list. Advertisements also appeared in eight newspapers and on the County website. Twenty-six bid packages were requested and distributed.

On September 29, 2009, nine bids were received and formally opened. AZ Home Inc. submitted the lowest bid and is being recommended for the Contract award.

The Summary of Outreach Activities is provided as Attachment A.

### **IMPACT ON CURRENT PROJECT**

The award of the Contract will modernize the Nueva Maravilla senior housing development and provide residents with 35 additional parking spaces and properly maintained parking lots and adjacent sidewalks.

Respectfully submitted,

  
for SEAN ROGAN  
Executive Director

Attachments: 2

## ATTACHMENT A

### Summary of Outreach Activities

Construction Contract to complete two new parking lots facing Mednik Avenue and replace and modernize the existing parking lot, adjacent sidewalks and all associated work to meet the requirements of the American with Disabilities Act at the Nueva Maravilla senior housing development in unincorporated East Los Angeles.

On August 28, 2009, the following outreach was initiated to identify a contractor to complete two new parking lots and replace and modernize the existing parking lot, adjacent sidewalks and all associated work to meet the requirements of the American with Disabilities Act at the Nueva Maravilla senior housing development located at 4919 E. Cesar Chavez Avenue in unincorporated East Los Angeles.

#### A. Newspaper Advertising

Announcements appeared in the following eight local newspapers:

Los Angeles Times (Full Run)	Dodge Construction News/Green Sheet
Los Angeles Sentinel	Eastern Group Publications
International Daily News	The Daily News
La Opinion	
WAVE Community Newspapers-Zone Long Beach Area only	

An announcement was also posted on the County Website.

#### B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 630 contractors, of which 445 identified themselves as businesses owned by minorities or women (private firms which are 60 percent owned by minorities or women, or publicly-owned businesses in which 56 percent of the stock is owned by minorities or women). As a result of the outreach, twenty-six packages were requested and distributed.

#### C. Pre-Bid Conference and Site Walk

On September 22, 2009, a mandatory pre-bid conference and site walk was conducted. Thirty-six firms were in attendance.

#### D. Bid Results

On September 29, 2009, a total of nine bids were received and publicly opened.

The bid result was as follows:

<u>Company</u>	<u>Bid Amount</u>
AZ Home Inc.	\$643,787.00
Arc Accucon Construction	\$683,891.34
Torres Construction Corp.	\$695,913.79
Western Group	\$697,739.25
4-Con Engineering Inc.	\$707,356.25
Saeico Inc.	\$716,665.00
CAS General Contractor	\$788,600.00
Minco Construction	\$883,695.00
Tiffany Group	\$1,061,252.50

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
AZ Home Inc..	Non-Minority	Total: 17 6 minorities 1 women 28% minorities 4% women
Alliance Concrete (Concrete sub-contractor)	Non-Minority	Total: 16 2 minorities 2 women 12.5% minorities 12.5% women

F. Minority/Women Participation - Firms Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Arc Accucon Construction.	Minority	Total: 10 10 Minorities 1 Woman 100% minorities 10% women
Torres Construction Corp.	Minority	Total: 10 10 Minorities 1 Woman 100% minorities 10% women

Western Group	Minority	Total: 10 10 Minorities 1 Woman 100% minorities 10% women
4-Con Engineering Inc..	Minority	Total: 10 10 Minorities 1 Woman 100% minorities 10% women
Saeico Inc..	Minority	Total: 10 10 Minorities 1 Woman 100% minorities 10% women
CAS General Contractor	Minority	Total: 10 10 Minorities 1 Woman 100% minorities 10% women
Minco Construction c.	Minority	Total: 10 10 Minorities 1 Woman 100% minorities 10% women
Tiffany Group.	Minority	Total: 10 10 Minorities 1 Woman 100% minorities 10% women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

## ATTACHMENT B

### Contract Summary

**Project Name:** Nueva Maravilla senior housing development two new parking lots facing Mednik Avenue and replacement and modernization of the existing parking lot and adjacent sidewalks project  
**Location:** 4919 E. Cesar Chavez Avenue, Los Angeles, CA 90022  
**Bid Number:** CD-09-153  
**Bid Date:** September 29, 2009  
**Contractor:** AZ Home Inc.  
**Services:** Two new parking lots; replacement and modernization of the existing parking lot, adjacent sidewalks and associated work  
**Contract Documents:** Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all addenda to the Contract Documents.

**Notice to Proceed and Completion:** The work to be performed under this Construction Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within ninety (90) calendar days following the required commencement date.

**Liquidated Damages:** In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Five Hundred Dollars and Zero Cents (\$500.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

**Contract Sum:** The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Six Hundred Forty Three Thousand Seven Hundred Dollars Eighty Seven and Zero Cents (\$643,787)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

Contract Contingency: **\$128,757.**



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office

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**Gloria Molina**  
**Mark Ridley-Thomas**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Sean Rogan**  
*Executive Director*

October 28, 2009

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**APPROVE A CONSTRUCTION CONTRACT FOR VARIOUS SITE IMPROVEMENTS  
AT THE ORCHARD ARMS SENIOR HOUSING DEVELOPMENT PROJECT IN THE  
CITY OF SANTA CLARITA (DISTRICT 5)**

**SUBJECT**

This letter recommends approval of a Construction Contract (Contract) with Big Star Builders, Inc. to complete the replacement and modernization of two parking lots facing Wiley Canyon Road, a driveway and adjacent sidewalks, the replacement of four boilers, deteriorated waterlines and other associated work at the Orchard Arms senior housing development located at 23410-23540 Wiley Canyon Road in the City of Santa Clarita.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners find that the approval of a Contract for various site improvements at the Orchard Arms senior housing development is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners award and authorize the Executive Director to execute, administer, implement and if necessary, terminate a Contract in the amount of \$290,972 with Big Star Builders, Inc. to complete various site improvements at the Orchard Arms senior housing development, following approval as to form by County Counsel.





3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$180,000 in Community Development Block Grant (CDBG) countywide funds and \$110,972 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2009-10 budget for this purpose
4. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding \$58,194 for unforeseen project costs, using ARRA CFP funds and following approval as to form by County Counsel.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this action is to award a Contract to complete the replacement and modernization of two parking lots, a driveway and adjacent sidewalks, the replacement of four boilers, deteriorated waterlines and other associated work at the Orchard Arms senior housing development.

### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund. The Housing Authority will fund the improvements with \$180,000 in CDBG countywide funds and \$110,972 in ARRA CFP funds allocated by HUD and included in the Housing Authority's approved Fiscal Year 2009-10 budget.

A \$58,194 contingency is also being set aside for unforeseen costs, using ARRA CFP funds. A 20% contingency is recommended because this type of work often involves unforeseen damage beyond what was initially identified in the scope of work.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Big Star Builders, Inc. will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Contract has been approved as to form by County Counsel and executed by Big Star Builders, Inc.

### **CONTRACTING PROCESS**

On July 10, 2009, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to all 621 Class B licensed contractors identified from the Housing Authority's vendor list. Advertisements also appeared in eight newspapers and on the County Website. Ten bid packages were requested and distributed.

On August 18, 2009, five bids were received and formally opened. Ventura Construction, Inc. submitted the lowest bid but did not provide the required project references. Big Star Builders, Inc. submitted the second lowest bid and is being recommended for the Contract award.

The Summary of Outreach Activities is provided as Attachment A.

### **ENVIRONMENTAL DOCUMENTATION**

Pursuant to 24 Code of Federal Regulation, Part 58, Section 58.35 (a) (3)(ii), this project is excluded from the National Environmental Policy Act because it involves activities that will not alter existing environmental conditions. It is exempt from the provisions of CEQA, pursuant to State CEQA Guidelines 15301, because it involves negligible or no expansion of use beyond what currently exists and does not have the potential for causing a significant effect on the environment.

### **IMPACT ON CURRENT PROJECT**

The award of the Contract will modernize the Orchards Arms senior housing development and provide residents with property maintained parking lots, a driveway and adjacent sidewalks, new boilers and waterlines.

Respectfully submitted,

  
for SEAN ROGAN  
Executive Director

Attachments: 2

## ATTACHMENT A

### Summary of Outreach Activities

Construction Contract for the replacement and modernization of two parking lots, a driveway and adjacent sidewalks, the replacement of four boilers, deteriorated waterlines and other associated work to meet requirements of the American with Disabilities Act at the Orchard Arms senior housing development in the City of Santa Clarita.

On July 10, 2009, the following outreach was initiated to identify a contractor for the replacement and modernization of two parking lots, a driveway and adjacent sidewalks, the replacement of four boilers, deteriorated waterlines and other associated work located at 23410-23540 Wiley Canyon Road in the City of Santa Clarita.

#### A. Newspaper Advertising

Announcements appeared in the following eight local newspapers:

Dodge Construction News	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
La Opinion	Wave Community Newspapers

An announcement was also posted on the County website.

#### B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 621 B-licensed contractors, of which 526 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, ten bid packages were requested.

#### C. Pre-Bid Conference and Site Walk

On July 21, 2009 a mandatory pre-bid conference and site walk was conducted. Eleven firms were in attendance.

#### D. Bid Results

On August 18, 2009, a total of five bids were received and publicly opened. The bid result was as follows:

<u>Company</u>	<u>Bid Amount</u>
Ventura Construction, Inc.	\$ 247,800.00
Big Star Builders, Inc.	\$ 290,972.04
ARAMCO Construction, Inc.	\$ 338,596.00
CAS General Contractor	\$ 399,000.00
AZ Home, Inc.	\$ 409,529.00

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Big Star Builder, Inc.	Non-Minority	Total: 3 2 Minorities 1 Woman 67% Minorities 33% Women

F. Minority/Female Participation – Contractors Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Ventura Construction, Inc.	Non-Minority	Total: 4 0 Minorities 1 Woman 0% Minority 25% Women
ARAMCO Construction, Inc.	Non-Minority	Total: 5 0 Minorities 0 Woman 0% Minority 0% Woman
C. A. S. General Contractor	Minority	Total: 3 3 Minorities 0 Woman 100% Minorities 0% Woman
AZ Home, Inc.	Minority	Total: 14 7 Minorities 2 Women 50% Minorities 14% Woman

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

**Contract Summary**

**Project Name:** Orchard Arms Site Improvements Project  
**Location:** 23410-23540 Wiley Canyon Road, Santa Clarita, CA 91355  
**Bid Number:** CDC09-120  
**Bid Date:** August 18, 2009  
**Contractor:** Big Star Builders, Inc.  
**Services:** Replacement and modernization of two parking lots, a driveway and adjacent sidewalks, the replacement of four boilers, deteriorated waterlines and other associated work

**Contract Documents:** Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all Addenda to the Contract Documents.

**Time of Commencement and Completion:** The work to be performed under this Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within one hundred and twenty (120) calendar days following the required commencement date.

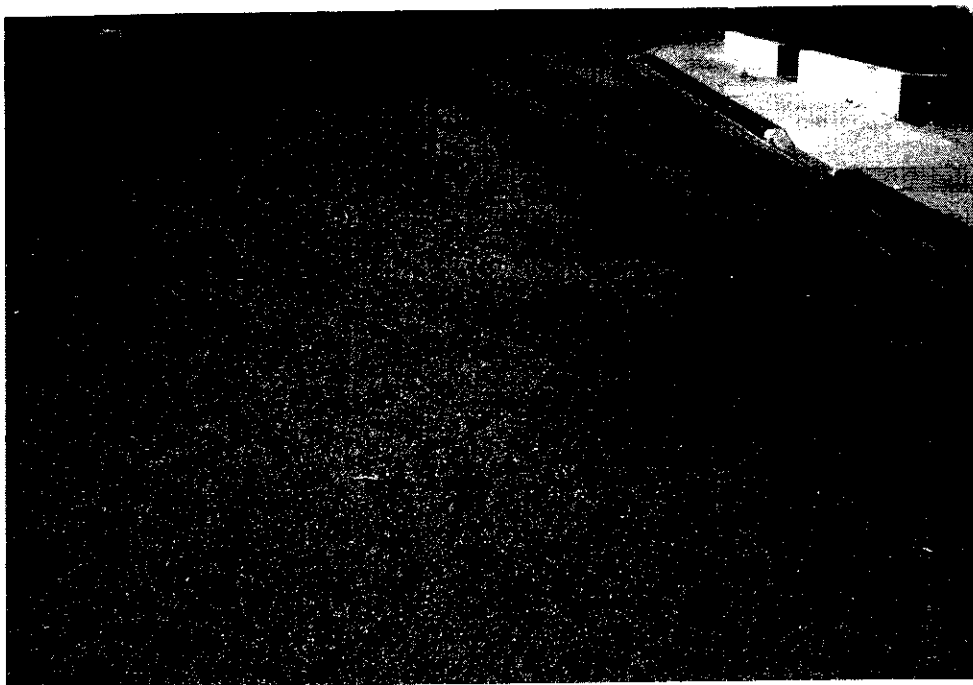
**Liquidated Damages:** In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Four Hundred Dollars and Zero Cents (\$400.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

**Contract Sum:** The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Two Hundred Ninety Thousand Nine Hundred and Seventy-two Dollars and Four Cents (\$290,972)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

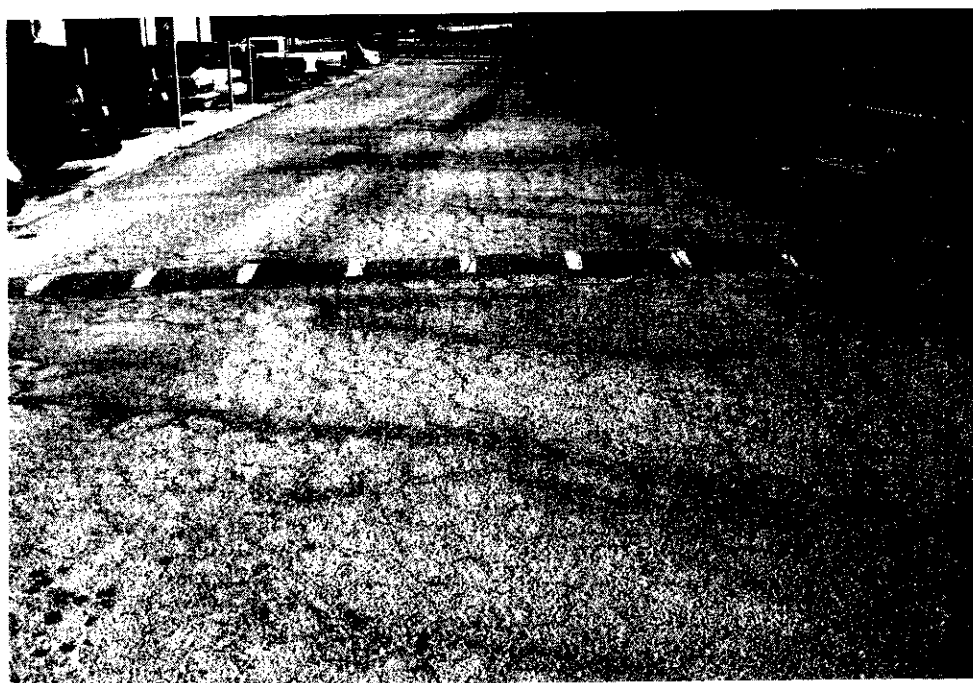
**Contract Contingency: \$58,194**



## Orchard Arms

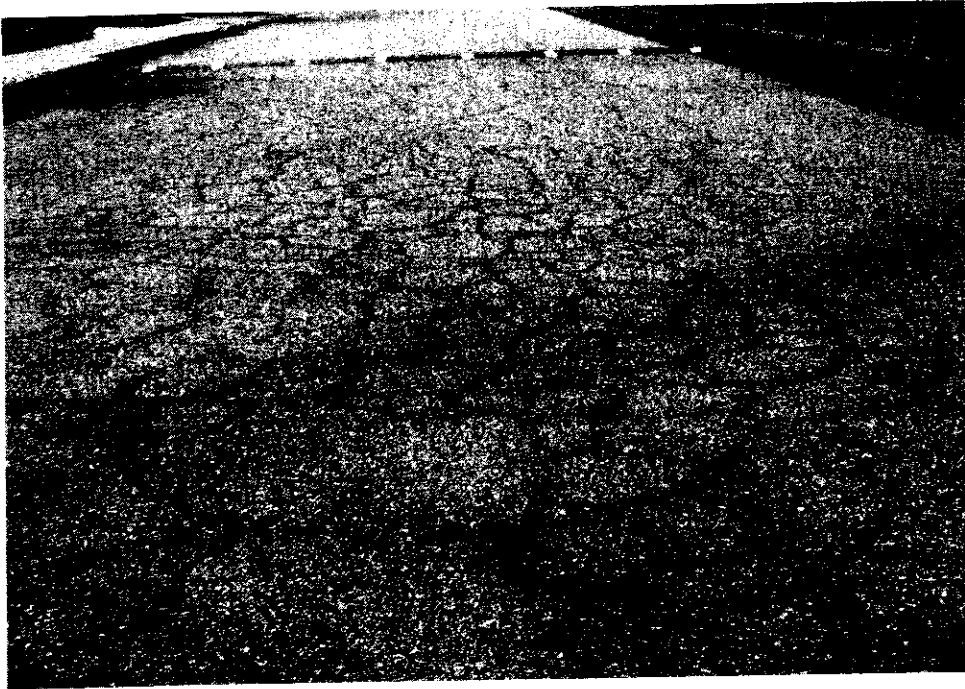


Orchard Arms: Existing cracked driveway will be rehabilitated. The top two inches of asphalt will be removed and a new lay of asphalt will be installed.



Orchard Arms: Existing cracked driveway will be rehabilitated. The top two inches of asphalt will be removed and a new lay of asphalt will be installed.

## Orchard Arms



Orchard Arms: Existing cracked and sunken driveway will be rehabilitated. The asphalt layer and sub-base supporting materials will be removed and new asphalt and materials installed.

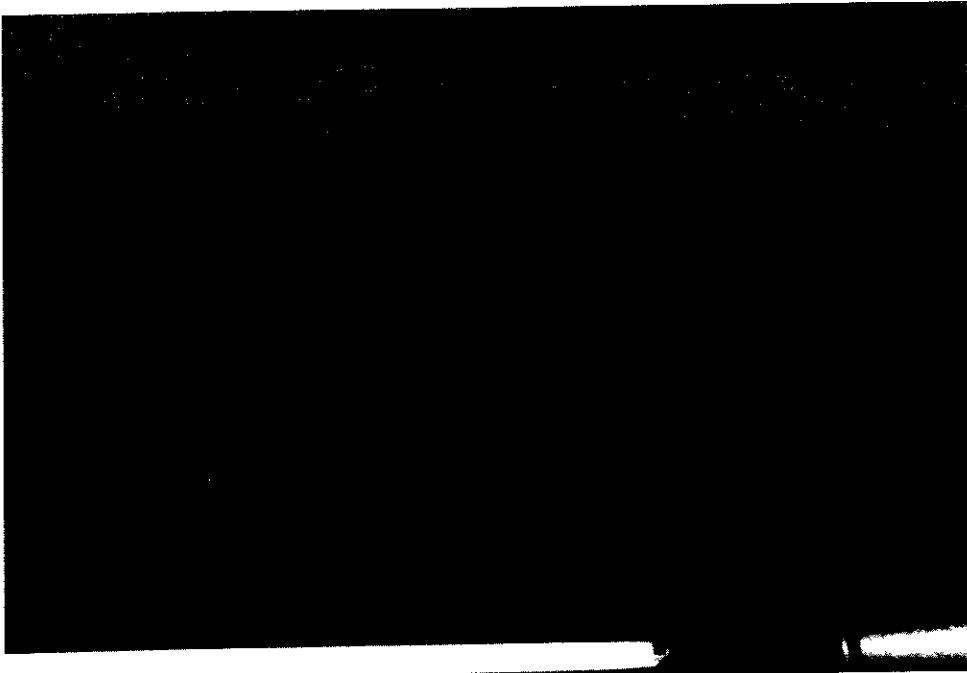


Orchard Arms: Existing cracked driveway, parking area, and sections of damaged concrete drainage swale will be rehabilitated. The top two inches of asphalt will be removed and a new layer of asphalt will be installed. New sections of concrete drainage swale will be installed.

## Orchard Arms

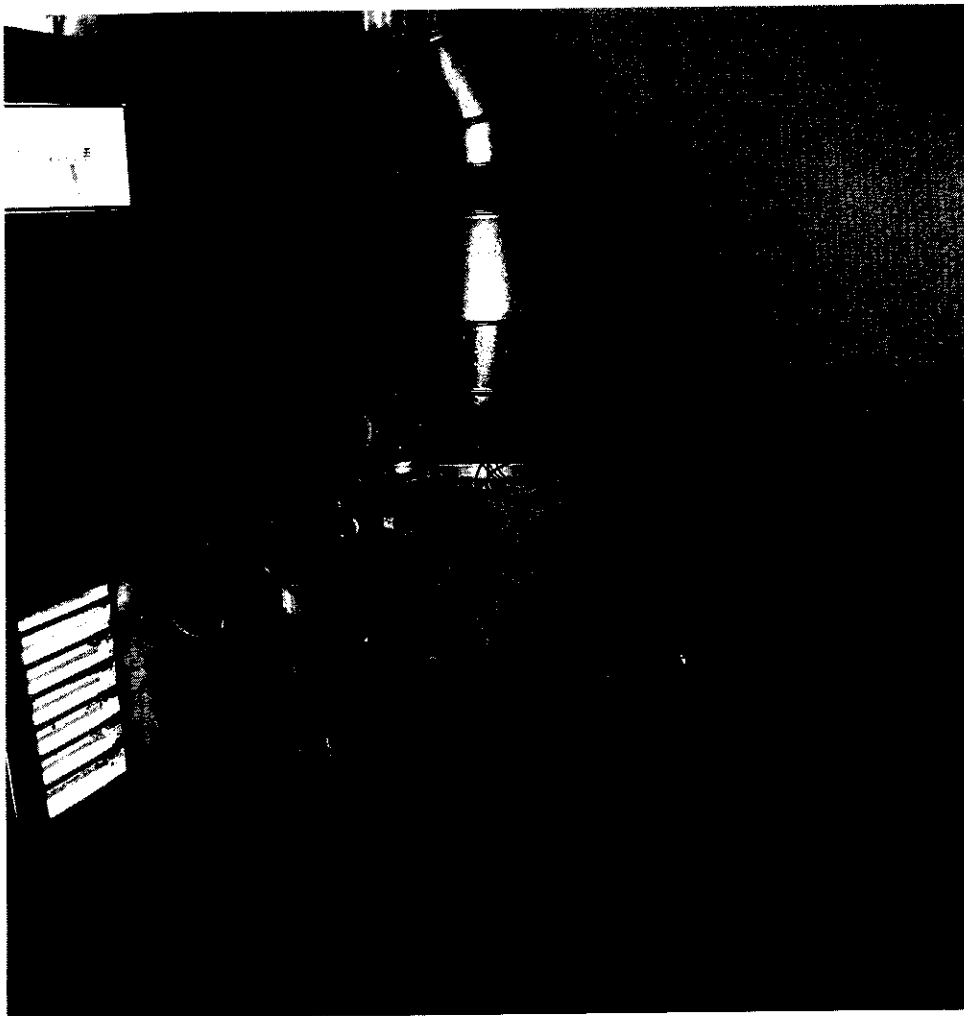


Orchard Arms: Existing temporarily repaired pavement retaining curb section which has separated from the driveway will be replaced.



Orchard Arms: Repair area of where deteriorated hot water return line leaved previously.

## Orchard Arms



Orchard Arms: Existing old boilers that will be replaced.



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

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**Gloria Molina  
Mark Ridley-Thomas  
Zev Yaroslavsky  
Don Knabe  
Michael D. Antonovich**  
*Commissioners*

**Sean Rogan**  
*Executive Director*

October 28, 2009

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**APPROVE THE REVISED DEBT COLLECTION POLICY OF THE COMMUNITY  
DEVELOPMENT COMMISSION AND HOUSING AUTHORITY  
(ALL DISTRICTS)**

**SUBJECT**

The Debt Collection Policy of the Community Development Commission and the Housing Authority of the County of Los Angeles was first adopted in July 2000. It has been revised to incorporate minor changes in programs and services, and to delegate specific authority to the Executive Director to use litigation as part of the debt collection process, as well as to provide delegated authority to the Executive Director to reduce or write-off delinquent amounts deemed uncollectible.

**IT IS RECOMMENDED THAT THE YOUR COMMISSION:**

1. Recommend that the Board of Commissioners find that approval of the attached Debt Collection Policy is not subject to the provisions of the California Environmental Quality Act (CEQA) because the action will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director to implement the revised Debt Collection Policy, which also authorizes the Executive Director to initiate litigation for purposes of debt collection, and to reduce or write-off delinquent accounts deemed uncollectible, up to an amount equal to the full amount of the debt, when the individual debt does not exceed \$100,000.



3. Recommend that the Board of Commissioners authorize the Executive Director to amend, when necessary, the Debt Collection Policy.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended action is to implement the revised Debt Collection Policy which incorporates minor changes to programs and services, and delegates specific authority to the Executive Director to use litigation as part of the debt collection process and to reduce or write-off delinquent accounts deemed uncollectible, up to an amount equal to the full amount of the debt, when the individual debt does not exceed \$100,000.

### **FISCAL IMPACT/FINANCING**

This policy will have no impact on the County general fund. To collect certain debts owed, the Commission and the Housing Authority currently use the services of an outside collection agency, selected through a Request for Proposal process. The collection agency receives a negotiated percentage of the collected funds as payment for its services, and no additional funds are budgeted for this purpose. The proposed debt collection policy establishes the County of Los Angeles' Treasurer and Tax Collector (TTC) as the collection agent for the Commission and Housing Authority. Under a memorandum of understanding the TTC will receive a negotiated percentage of the collected funds as payment for its services. Should litigation become necessary, funds contained in the respective Commission or Housing Authority approved budgets, and other sources, will be used for legal fees and associated costs.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Debt Collection Policy was first implemented in 2000 to formalize the necessary authority and guidelines carried out by the agency's divisions and units for the collection of seriously delinquent receivable accounts. In addition to the agency wide policy, each operating division is responsible for developing specific collection criteria and internal procedures for programs under its control that require debt collection. Guidelines for handling defaults or breaches of contract on loans as a result of programmatic issues, such as loan compliance or administrative matters, are also addressed in the respective division's internal procedures.

The revised Debt Collection Policy incorporates minor changes to programs and services that have occurred since initial approval of the policy. It also specifically authorizes the Executive Director to proceed with litigation when necessary, following consultation with County Counsel and with Board approval, as appropriate. Lastly, the revised policy will set a limit of \$100,000 for the Executive Director when approving to write off a delinquent loan or to reduce the amount of liability of the delinquent loan. The write-off limit is consistent with federal regulations (24 CFR section 17.60) and Chapter 7 of Department of Housing and Development (HUD) Guidebook 4310.5 Rev 2,



Section V, that if a single debt does not exceed \$100,000 exclusive of interest, the agency can terminate the collection effort where it appears that the cost of collection will likely exceed the amount of recovery.

It is the policy of the Commission and the Housing Authority to carefully weigh cost benefit considerations before proceeding with debt collection and write-off. In some instances, such as where the amount owed to the Commission is substantial and the debtor has the financial means to make the payment but has failed to do so, litigation may provide more effective leverage than referral to a collection agency.

In addition, certain loss recovery approaches, such as the State Franchise Tax Board Intervention Program to impound a taxpayer's tax refund, wage garnishment, etc., all require the prerequisite of a judicial judgment through legal proceeding. The authority to litigate certain cases will strengthen the ability to collect funds due the Commission and Housing Authority.

The Commission is currently working on a memorandum of understanding (MOU) to establish the TTC as the collection agent for the Commission. For County departments (except the Department of Health Services), TTC is also responsible for any reduction or write-off of uncollectible debts. Because the Commission and the Housing Authority are separate legal entities with a financial management system independent from the County's, authority to reduce or write off liabilities rests with the Executive Director for individual debts not exceeding \$100,000. Debts not collected by the TTC will be returned to the Commission for further legal actions or write-off.

Finally, setting a limit on the amount that the Executive Director can approve for a single write-off will establish a better oversight in managing delinquent debts. According to Chapter 7 of the HUD Guidebook 4310.5 Rev 2, Section V, in order for a debt to be recommended for write-off, one or more of the following criteria is met: a) the debt is legally without merit; b) the debt cannot be substantiated; c) the costs of further collection action will exceed the amount recoverable; d) the debtor cannot be located; or e) no substantial amount can be collected.

### **ENVIRONMENTAL DOCUMENTATION**

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. The activity is not subject to the provisions of CEQA pursuant to State CEQA Guidelines, Section 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

**IMPACT ON CURRENT PROGRAM**

The revised Debt Collection Policy will afford the Commission and the Housing Authority greater authority to pursue effective actions to reduce the delinquency of program receivables and improve the collection of outstanding debts.

Respectfully submitted,

  
for SEAN ROGAN  
Executive Director

Attachment

## **DEBT COLLECTION POLICY**

### **PURPOSE**

The mission of the Community Development Commission of the County of Los Angeles and the Housing Authority of the County of Los Angeles (collectively referred to as the "Commission") is to generate and effectively use resources to provide housing and community development services for the County of Los Angeles.

This policy includes procedures to reduce delinquent receivables and improve outstanding debt collection associated with the Commission's various programs. "Receivables" and "debt" are funds or other valuable consideration owed to the Commission from program loans, contracts, Memoranda of Understanding, leases, purchase orders, invoices, statutes, regulations, ordinances, court orders or equity.

Delinquent receivables handled internally by the Financial Management Division are described in the section entitled *Other Debt Collection Actions*.

### **POLICY**

The Commission's main approach to debt resolution is to seek long-term solutions or "work outs" including payment deferrals, debt reduction, or debt forgiveness, when these actions are reasonable and consistent with program objectives. Some debt collection choices used by commercial lenders are not appropriate for Commission use and are not part of this policy.

The Executive Director has the authority, in consultation with the Commission's Risk Management Unit and County Counsel, to refer delinquent accounts to outside collection, begin litigation (including but not limited to small claims court proceedings, foreclosure actions, unlawful detainer actions, breach of contract actions, etc.), conduct evictions, write-off non-performing debt or take other actions to resolve delinquent debt and remedy monetary and non-monetary defaults. The Executive Director is authorized to write-off or reduce delinquent accounts deemed uncollectible, up to an amount equal to the full amount of the debt, when the individual debt does not exceed \$100,000.

All debt collection actions must be consistent with cost-benefit considerations, funding source requirements and the mission of the Commission, as stated above.

## **DEBT COLLECTION PROCESS**

The Commission manages programs which at times require debt collection. Each Division is responsible for developing operating procedures and collection criteria for programs under its management, including ways of handling loan defaults or breaches of contract resulting from program issues, such as loan compliance or administrative matters.

Each division is required to ensure that its own written internal procedures support the Commission's policy of reducing the delinquency of all receivables and improving the collection of outstanding debts. Both new and revised internal procedures must be approved by the Executive Director or his designee and copies maintained within each Commission and Housing Authority division.

After collection efforts on delinquent accounts have been exhausted, the Division may refer accounts to a collection agency retained through a procurement process. Collection agency referrals are authorized by the appropriate Division Director and monitored by the Financial Management Division.

A primary consideration in debt collection is whether it is economically favorable to refer accounts to a collection agency. Reasonable efforts are made to maximize economic benefits from available debt collection choices. Receivables referred for collection must comply with the *Agreement for Delinquent Account Collection Services* executed with the collection agency, copies of which are provided to the Divisions by the Financial Management Division.

Described below are programs which may need debt collection, the types of debt that may be created by these programs and the general collection procedures followed by each program to reduce debt.

### **Debt Collection by Program**

Program: Business/Commercial Loans

Responsible Division: Economic Redevelopment

Debt Type: Delinquent Loan

Business loans originate under several grant-funded loan programs. Delinquent loan accounts are managed according to procedures approved by the various granting agencies. Loan oversight is provided by the Loan Administration Board appointed by the Commission's Executive Director. Delinquent loans are referred to collection after written approval has been given by the appropriate Loan Administration Board.

The specific small business loan programs which may result in debt collection are listed below:

1. County Business Loan Program
2. Expansion Program
3. County Technology Loan Program
4. Float Loan Program
5. County Utility Loan Program

These programs are subject to referral to a collection agency, except the Float Loan Program because these loans are fully collateralized with an Irrevocable Demand Letter of Credit.

<u>Program:</u>	Property Rehabilitation Loans
<u>Responsible Division:</u>	Housing Development and Preservation
<u>Debt Type:</u>	Delinquent Loan

Property rehabilitation loans are made to owners of single family and multi-family residences based on loan committee approval. The Housing and Preservation Division performs internal debt collection on delinquent loans. When internal collection efforts and other debt resolution attempts fail, the Division Director may refer the delinquent account for outside collection or, consistent with cost-benefit considerations, may recommend to the Executive Director that the account be restructured or other alternative measures stated in this policy.

The following housing preservation loans may be referred to an outside collection agency:

- Rehabilitation Loan Programs
  1. Owner-occupied Single Family Residences (1-4 units)
  2. Rental Single and Multi-Family Units
  3. Earthquake Recovery Loan Program
  4. Other Loan Program Contracts

All of these programs require repayment by the borrower, but a portion or all of each loan may be forgivable, as determined by the individual funding source and specified in the loan documents.

Program: Home Ownership Program (HOP)  
Responsible Division: Housing Development and Preservation  
Debt Type: Delinquent Loan

The Home Ownership Program (HOP) has been designed to meet the needs of low-income families with the necessary down payment assistance. The Housing and Preservation Division performs internal debt collection on delinquent loans. When internal collection efforts and other debt resolution attempts fail, the Division Director may refer the delinquent account for outside collection or, consistent with cost-benefit considerations, may recommend to the Executive Director that the account be restructured or other alternative measures stated in this policy.

Program: Development Loans  
Responsible Division: Housing Development and Preservation  
Debt Type: Delinquent Loan

Development loans are made to developers to finance projects in the Affordable Housing or Special Needs Housing programs. Loan repayments are typically conditioned on the availability of "net cash flows" derived from the collateralized property. These loans may have complex requirements for terms, conditions, etc. that are included in individual agreements approved by the Board of Commissioners and/or Board of Supervisors. Delinquent loans are typically resolved through a loan modification agreement. If the delinquency cannot be cured, foreclosure proceedings or other measures to resolve the debt may be considered.

Program: Countywide Section 108 Loan Program  
Responsible Division: Community Development Block Grant (CDBG)  
Debt Type: Delinquent Loan

The Countywide Section 108 Loan Program is a \$30 million pre-approved pool of loan guarantee authority available to participating cities, their

redevelopment agencies, and through these agencies to private developers to finance eligible activities. Loan repayments are commonly derived from future allocations of CDBG-funds to participating agencies but may also include, but not limited to general funds, tax increment, sales tax, or direct payments from for-profit developers. These loans may have complex requirements for terms, conditions, etc. included in agreements approved by Board of Commissioners and/or the Board of Supervisors. Each loan is 100% collateralized for the term of the loan. If delinquent loans cannot be cured, foreclosure proceedings to resolve the debt will begin, as mandated in each loan agreement.

Program: CDBG

Responsible Division: CDBG Division

Debt Type: Disallowed Costs from Program Monitoring

As a subgrantee, the CDBG Division is responsible for monitoring sub-recipients to ensure compliance with federal regulations. Should a sub-recipient not meet these requirements or fail to properly support the reported expenditures, costs may be disallowed and must be returned to CDBG as program income. If costs are not repaid, the CDBG Division may offset the disallowances against costs claimed by the agency to another CDBG contract. However, if an agency no longer receives CDBG funds or is unwilling to repay the disallowance, a Demand Letter is issued seeking immediate repayment. An agency that does not respond to the Demand Letter is placed on the CDBG High-Risk list and funds are not awarded to the agency in the future unless the disallowed costs are repaid in full.

Program: Conventional and Non-Conventional Rental Housing

Responsible Division: Housing Management

Debt Type: Delinquent Rent

Tenants will at times voluntarily or involuntarily vacate conventional and non-conventional rental housing units with unpaid charges on their accounts. When unpaid charges remain, collection letters are sent to the former tenants by Housing Management staff after the property has been vacated. After all internal collection efforts and other debt resolution attempts fail, the Housing Management Division Director may refer these accounts to the outside collection agency.



Program: Conventional and Non-Conventional Rental Housing

Responsible Division: Housing Management

Debt Type: Fraud

Housing Management may start an investigation of a tenant family when information about possible fraud comes from referrals, complaints or tips, internal review of income verification and other documentation, internal investigations, and/or other sources.

Conventional and non-conventional rental housing tenants and applicants may at times commit fraud, as defined under federal, state, or local law. Fraud may include, but not be limited to intentional misrepresentation of income, assets and allowances, intentional misrepresentation of family composition, initiating and/or taking part in bribes or other illegal activities. Internal debt collection efforts are made by Housing Management that may result in settlement agreements to repay rent or settlement agreements to move-out and repay rent. If a tenant defaults on a settlement agreement, Housing Management may take breach of contract actions in civil court or small claims court, depending on the amount.

The Housing Management Division Director may recommend to the Executive Director that recovery be sought through unlawful detainer, civil remedies such as small claims court or civil court (depending on the amount), government tax refund intervention programs and wage garnishment. The Housing Management Division Director may also transfer the matter to the Financial Management Division Director for referral to an outside collection agency.

The Housing Management Division Director may also recommend to the Executive Director criminal prosecution of a tenant, including referral to the Office of the Inspector General.

Program: Rent Subsidy (Section 8)

Responsible Division: Assisted Housing

Debt Type: Overpayments to Property Owners

Private property owners may occasionally receive rent overpayments for tenant participants of the Section 8 Tenant-Based Rental Assistance Program. The Assisted Housing Division is responsible for this program and may refer cases of overpayments to the Financial Management Division to refer to the outside collection agency after internal collection efforts and other debt resolution attempts fail.

Program: Rent Subsidy (Section 8)  
Responsible Division: Assisted Housing  
Debt Type: Tenant Unreported Income

Tenant participants may fail to report required information because of a lack of understanding or attempted fraud. This may include not disclosing assets, sources of income or changes in family composition. When overpayments occur from not reporting information and internal collection efforts fail, the Assisted Housing Division Director may refer the case to the Financial Management Division for referral to the outside collection agency.

The Assisted Housing Division Director may recommend to the Executive Director unlawful detainer actions, civil remedies such as small claims court or civil court, government tax refund intervention programs or wage garnishment. Recommendations may also be made for criminal prosecution, including referral to the Office of the Inspector General.

### **Foreclosures**

Foreclosure actions enforce the terms of real estate loans when monetary, non-monetary or regulatory defaults occur. The Executive Director and the Commission's governing body must approve foreclosure actions.

Monetary defaults result from nonpayment of loans that require regular scheduled payments. Non-monetary and regulatory defaults result from violation of a specific loan condition, such as the failure to comply with affordability restrictions, occupancy requirements or maintenance provisions.

Most foreclosure actions result from monetary defaults and begin after all other collection efforts have failed.

A real estate loan is considered eligible for foreclosure proceedings if any of the following conditions exist:

1. A monetary default exists when full payment is not made for four consecutive months;
2. The borrower is unwilling or unable to make satisfactory arrangements to cure a delinquency;
3. The borrower is unwilling or unable to make reasonable or timely arrangements to satisfy a monetary or non-monetary violation of the loan terms; or

4. A senior lien holder has started foreclosure proceedings.

In an effort to bring the loan into good standing, collection efforts by the responsible Division will continue until the date of the foreclosure sale. A Commission representative will attend the foreclosure sale and report the results to Division management having responsibility for the property. If the Commission acquires the property, staff will notify the County Tax Assessor's Office. Foreclosed properties will be managed by the Commission until sold to the Housing Authority, a non-profit agency or a private party according to the Commission's mission of preserving affordable housing.

### **Write-Off Procedures**

Because of the wide range of loans funded by the Commission, individual write-off procedures are necessary for each program. These procedures must be developed by the responsible Division Director and the Financial Management Division, and approved by the Executive Director. Write-off procedures must be consistent with the Agencies wide objective of first exhausting all efforts to collect the amounts owed prior to deeming a debt uncollectible. One or more of the following criteria must be met: a) the debt is legally without merit; b) the debt cannot be substantiated; c) the cost of further collection action will exceed the amount recoverable; d) the debtor cannot be located; e) no substantial amount can be collected.

Each Division must ascertain whether the write-off is allowed by the funding source. If the funding source does not allow the write-off or limits the amount of write-off, the responsible Division Director will need approval from the Executive Director to use other funding sources for the write-off. Such approval must be included in the debtor's file before the Division authorizes an account write-off. A statement that the write-off complies with the policies of the funding source must be included in each write-off request transmitted to the Executive Director by the Division Director. Upon approval by the Executive Director, each write-off request will be forwarded to the Financial Management Division to record the write-off in the financial system.

### **Other Debt Collection Actions**

The following two types of employee-related debt collection are handled by the Financial Management Division, and are not referred to the outside collection agency:

1. Claims involving overpayments of salary or related benefits (including worker's compensation);
2. Claims for travel overpayments which are handled with the support of the responsible Division.

**QUALITY CONTROL**

A written quality control plan must be established and maintained by the outside collection agency to ensure the requirements of the contract are met. A copy must be provided to the Financial Management Division within 10 working days prior to the contract start date, and within 10 working days of any changes made to the quality control plan during the term of the contract. The quality control plan includes, but is not limited to, the following:

1. The collection agency's quality control or monitoring system covering each item listed in the Performance Requirements Summary section of the contract. The quality control plan must specify activities to be monitored on either a scheduled or unscheduled basis, the frequency of monitoring, and the title of the individuals who perform the monitoring.
2. The methods of verifying and preventing deficiencies in services before they become unacceptable and out of compliance with the contract.
3. The methods for documenting the monitoring results and, if necessary, the corrective action taken.
4. The methods for maintaining the confidentiality of debtor information while in the care of the collection agency.

**REPORTING REQUIREMENTS**

Certain debt collection reports and notices are issued by either the Commission or the collection agency.

Reports issued by the collection agency include collection and other account information, account transfers, payment and commission activity and complaints by borrowers.

Commission reports are issued by each Division for the loan programs which have resulted in a debt referred to the collection agency. Reports include account referral records, account adjustments, records of direct payment to the Commission, and requests to recall accounts from the collection agency. These reports must be submitted to the Financial Management Division by the established deadlines.

**END OF POLICY**



**HOUSING AUTHORITY  
of the County of Los Angeles**

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**Gloria Molina  
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Don Knabe  
Michael D. Antonovich**  
*Commissioners*

**Sean Rogan**  
*Executive Director*

October 28, 2009

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**ADOPT A RESOLUTION ACCEPTING THE VOLUNTARY TRANSFER OF HOUSING  
CHOICE VOUCHERS FROM THE HOUSING AUTHORITY OF THE CITY OF LOMITA  
TO THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES  
(ALL DISTRICTS)**

**SUBJECT**

This letter recommends approval of the voluntary transfer of Section 8 Housing Choice Vouchers from the Housing Authority of the City of Lomita (Lomita) to the Housing Authority of the County of Los Angeles (HACoLA).

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners find that the transfer of Section 8 Housing Choice Vouchers is not subject to the provisions of the California Environment Quality Act (CEQA), as described herein, because the activity is not defined as a project under CEQA.
2. Recommend that the Board of Commissioners adopt and instruct the Chair to sign a Resolution indicating agreement to the proposed voluntary transfer of Section 8 Housing Choice Vouchers and corresponding budget authority from Lomita to HACoLA; and authorize the Executive Director to submit the Resolution and all related documents to HUD.



### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this action is to transfer Lomita's Section 8 Housing Choice Vouchers and Section 8 Annual Contributions Contract (ACC) budget authority to HACoLA. This will provide HACoLA with 86 additional Section 8 Housing Choice Vouchers, which can be used anywhere within HACoLA's jurisdiction, which will continue to include the City of Lomita.

### **FISCAL IMPACT/FINANCING**

There is no fiscal impact on the County general fund. Upon approval of the voucher transfer, HACoLA will receive 86 additional vouchers, which will equate to approximately \$104,480 in administrative fees and \$423,300 in Housing Assistance Payments (HAP) annually for the Section 8 Tenant-Based Program.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On April 26, 1985, your Board authorized the execution of an Administration Agreement between the HACoLA and Lomita whereupon HACoLA has acted as an agent of Lomita for the Section 8 Housing Choice Voucher Program, providing direct tenant services, including applicant selection, housing inspections, and tenant certifications. HACoLA is responsible for the issuance of housing assistance payment checks to landlords, program reporting, monitoring, and technical assistance. HACoLA also prepares annual Agency and Administrative Plans on behalf of Lomita for submission to HUD.

The Administration Agreement provides HACoLA with full administrative and operating responsibilities, including the receipt and disbursement of all program funds due under the Lomita ACC. A joint bank account has been established between Lomita and HACoLA for the receipt and disbursement of all program funds, including the payment of any preliminary and administrative fees to the HACoLA that are due under the ACC.

On March 3, 2008, the Board of Commissioners of the Lomita Housing Authority approved a motion to pursue the voluntary transfer of the budget authority and baseline units to HACoLA. Subsequent to Lomita's approval, HACoLA also received your Board's approval to pursue the transfer on July 15, 2008. Unfortunately, HUD denied the transfer request because of HACoLA's "troubled" rating on the Section 8 Management Assessment Program (SEMAP). Now that HACoLA has achieved the "standard performer" SEMAP rating, your Board's approval is again required to pursue the transfer.

The original justification for the transfer of authority was Lomita's Fiscal Year 2007-2008 budget deficit for their Administrative Fee account. A current review of Lomita's financial status and Section 8 Housing Choice Vouchers lease-up for Fiscal Year 2009-2010 continues to show an increasing budget deficit for the Administrative Fee reserve account. As of September 30, 2009, the Administrative Fee reserve balance account

has a deficit of \$16,674. A September analysis of Lomita's budget pacing and projections reflect a lease-up rate of 56.10% and a budget deficit of \$4,939 in Administrative Expenditures for the end of Fiscal Year 2009-10. The low utilization of Lomita vouchers (lease-up rate) can be attributed to the limited availability of rental units in the City of Lomita. The majority of units are owner-occupied, thereby making it difficult for Lomita to lease the required number of Section 8 vouchers.

Upon adoption of the attached Resolution, HACoLA will request that HUD consider the transfer of budget authority and corresponding baseline units for the Section 8 Housing Choice Voucher program from the Lomita ACC to the HACoLA Consolidated ACC. As part of the application process, HUD requires your approved Resolution and at least 90 days notice before the requested effective date of the transfer.

### **ENVIRONMENTAL DOCUMENTATION**

This activity is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves administrative activity that will not have a physical impact on or result in any physical changes to the environment. The activity is also not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

### **IMPACT ON CURRENT PROGRAM**

Approval of this action will allow HACoLA to receive 86 additional vouchers, which will equate to approximately \$104,480 in administrative fees and \$423,300 in Housing Assistance Payments (HAP) annually for the Section 8 Tenant-Based Program. After the transfer is complete, the Lomita Housing Authority waiting list will be merged with the HACoLA waiting list using the applicant's original registration date. Additionally, HACoLA staff will no longer have to prepare separate Agency and Administrative Plans for Lomita, reducing the total workload associated with administering these vouchers.

HUD will complete the transfer of all Family Reports (form HUD-50058) so that all affected families will be recorded under HACoLA.

Respectfully submitted,

  
for SEAN ROGAN  
Executive Director

Attachment



RESOLUTION AGREEING TO THE VOLUNTARY TRANSFER OF HOUSING CHOICE  
VOUCHERS FROM THE CITY OF LOMITA HOUSING AUTHORITY TO THE  
HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

WHEREAS, as a Public Housing Agency, the City of Lomita Housing Authority (Lomita) receives an allocation of Housing Choice Vouchers issued by the United States Department of Housing and Urban Development (HUD);

WHEREAS, since 1985, the Housing Authority of the County of Los Angeles (HACoLA) has been operating the Section 8 Housing Choice Voucher program (Program) on behalf of Lomita;

WHEREAS, Lomita and HACoLA opened a joint depository account for the receipt and disbursement of all Program funds and for the payment of preliminary and administrative fees to HACoLA which are allocated to Lomita under its Annual Contributions Contract (ACC) with HUD;

WHEREAS, HACoLA is no longer able to administer the Program on behalf of Lomita in exchange for Lomita's Administrative Fee compensation under its ACC with HUD;

WHEREAS, HUD has issued policies (Notice PIH 2007-6 and PIH 2008-19), which outline the process by which a Public Housing Agency may voluntarily transfer its Housing Choice vouchers and corresponding budget authority to another Public Housing Agency; and

WHEREAS, Lomita's governing body will be concurrently adopting a Resolution agreeing to the proposed voluntary transfer of the Program vouchers and corresponding budget authority to HACoLA.

NOW, THEREFORE, the Board of Commissioners of the Housing Authority of the County of Los Angeles hereby resolves as follows:

1. HACoLA hereby agrees to the proposed voluntary transfer of Housing Choice vouchers and corresponding budget authority from Lomita, contingent upon approval of the transfer from the HUD.
2. The Executive Director of HACoLA shall submit a letter to HUD, as required per Notice PIH 2007-6 and PIH 2008-19, requesting that the transfer be approved by HUD.
3. As per Notice PIH 2007-6 and PIH 2008-19, the effective date of the transfer will be a minimum of 90 days after the submittal of the letter and the resolution.

APPROVED AND ADOPTED by the Board of Commissioners of the Housing  
Authority of the County of Los Angeles on this \_\_\_\_ day of \_\_\_\_\_, 2009.

ATTEST:

SACHI A. HAMAI  
Executive Officer-Clerk of  
the Board of Commissioners

By: \_\_\_\_\_  
Deputy

By: \_\_\_\_\_  
Chair, Board of Commissioners

APPROVED AS TO FORM:  
ROBERT E. KALUNIAN  
Acting County Counsel

By: \_\_\_\_\_  
Deputy



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Mark Ridley-Thomas  
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*Commissioners*

**Sean Rogan**  
*Executive Director*

October 28, 2009

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**APPROVE SETTLEMENT OF TORT LIABILITY CASE MARQUIS BRADLEY VS.  
HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES, ET AL.**  
**(ALL DISTRICTS)**

**SUBJECT**

This letter recommends approval of a settlement in the amount of \$45,000 for a lawsuit filed by Marquis Bradley against the Housing Authority and the Community Development Commission (Commission). The lawsuit arose out of an October 25, 2007 collision between two motor vehicles driven by Plaintiff Bradley on the one hand, and Jesus Enriquez Cida, a Commission employee, on the other. Plaintiff Bradley alleged that Cida, in the course and scope of his duty, drove in a negligent manner and caused the collision.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute a settlement agreement in the amount of \$45,000, to be paid from Housing Authority public housing funds, to Marquis Bradley for Marquis Bradley vs. Housing Authority of the County of Los Angeles, Community Development Commission of the County of Los Angeles, and Jesus Enriquez Cida, following approval as to form by County Counsel.
2. Recommend that the Board of Commissioners find that approval of the settlement is not subject to the provisions of the California Environmental Quality Act (CEQA) because the activity is not defined as a project under CEQA.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this action is to approve a settlement of this case in the amount of \$45,000 in lieu of proceeding to litigation.

### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund. The financing of the proposed settlement agreement will be paid from the Housing Authority's public housing administrative funds.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Plaintiff Marquis Bradley alleged that he was injured in an automobile versus automobile collision involving a 2001 Chevrolet Van owned by the Commission and a 2003 Nissan Altima driven by Plaintiff. Plaintiff Bradley was traveling on October 25, 2007 on Telegraph Road in unincorporated East Los Angeles at the time of the collision. According to the Traffic Collision Report, Plaintiff Bradley had the right of way when the Commission employee made a left turn.

Law enforcement attributed 100% fault for the collision to the Commission employee, Mr. Enriquez, due to his failure to yield to oncoming traffic that had the right of way. Mr. Enriquez was not available to provide a first-hand account as he no longer worked for the Commission as of September 2008. The Commission made numerous unsuccessful attempts to contact Mr. Enriquez via correspondence to several addresses as well as by telephone. During the course of the lawsuit, the law firm representing the Commission and Housing Authority filed a motion to withdraw as counsel for Mr. Enriquez due to his unavailability and failure to cooperate.

Plaintiff is alleging severe injury, including future pain and suffering and medical expenses, as well as a loss of earnings and earning capacity. Plaintiff Bradley's doctors have testified that he will need knee surgery due to a torn meniscus in his right knee.

If the matter proceeds to trial, Plaintiff Bradley will seek \$200,000 for General Damages, including pain and suffering, emotional distress, and non-economic damages. Under the proposed settlement, the Housing Authority would pay \$45,000 to settle all claims in this case.

Expenses incurred by the Commission and Housing Authority in defense of this matter include attorneys' fees in the amount of \$22,587 and other fees and costs in the amount of \$754. The Commission and Housing Authority jointly estimate that they would have to incur approximately \$45,000 in additional costs and expenses if the case proceeds to trial.

The proposed settlement of this case was achieved following several informal settlement discussions and a Mandatory Settlement Conference. The settlement will prevent further litigation expenses and potential jury verdicts substantially in excess of the settlement amount. The Plaintiff has approved and executed the settlement agreement.

#### **ENVIRONMENTAL DOCUMENTATION**

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. This action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

#### **IMPACT ON CURRENT SERVICES**

This settlement will avoid further litigation expenses and conclude this lawsuit.

Respectfully submitted,

  
for SEAN ROGAN  
Executive Director